

An assessment of the record of Europe's new democracies in sharing their transition experience to promote democracy abroad and in keeping democracy promotion on the European political agenda ...

... the research includes an assessment of the Visegrad Four countries' democracy assistance policies and practices towards Belarus, Bosnia and Herzegovina, Cuba, and Ukraine.

This publication and the accompanying PASOS research project, *Evaluation of the Democracy Assistance Policies and Priorities of the Visegrad Countries*, were supported by the International Visegrad Fund and the Open Society Institute Think-Tank Fund.

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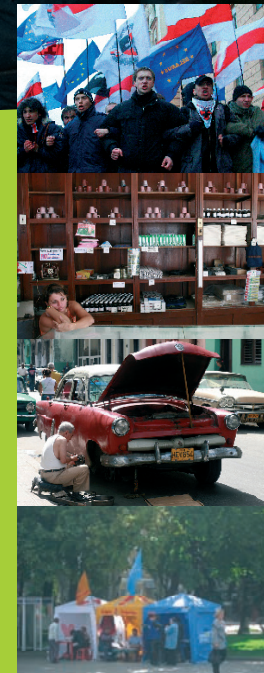


DEMOCRACY'S NEW CHAMPIONS

Jacek Kucharczyk and Jeff Lovitt (eds)



Policy Association for an Open Society



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European democracy
assistance
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PASOS
Těšnov 3
110 00 Praha 1
Czech Republic

Tel/fax: +420 2223 13644
Email: info@pasos.org
www.pasos.org



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Editors: Jacek Kucharczyk and Jeff Lovitt

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Uladzimir Hrydzin

Jaroslav Jiříčka

Kateřina Špácová/People in Need (Člověk v tísni)

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PASOS

Těšnov 3

110 00 Praha 1

Czech Republic

Registered address:

Prokopova 197/9

130 00 Praha 3

Czech Republic

Tel/fax: +420 2223 13644

Email: info@pasos.org

www.pasos.org

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Evaluating Democracy Assistance Policies

An assessment of the emerging policies and priorities of the Visegrad Four countries

Jeff Lovitt

Executive Director, PASOS (Policy Association for an Open Society)

As a network of independent policy centres engaged in issues around democratic transition, the members of PASOS (Policy Association for an Open Society) share a wealth of experience of the intricacies of policymaking during the transition to democracy. However, the network also includes think-tanks whose scope for participation is thwarted by authoritarian leaders blocking multi-party democracy, freedom of expression, and protection of human rights - not only before the fall of the Berlin Wall, but up until the present day in some post-Soviet countries.

As PASOS occupies a unique space, bridging policy thinking in Europe's new member states with the perceptions of thought leaders in the countries of the Western Balkans, the Black Sea region, and Central Asia, not to mention Ukraine, Belarus and Russia, the issue of the European Union's policies towards its eastern neighbours is high on the agenda for policy analysts and policymakers in the region.

At the annual meeting of the PASOS members in Istanbul in November 2006, it was agreed that PASOS should engage in the debate on the fostering of a more flexible approach to EU funding in support of democracy and human rights, and should examine potential future models for European democracy assistance. As a result, PASOS became involved with other civil society actors across the EU in the formation of the European Partnership for Democracy (EPD), which was launched in Brussels in April 2008. At around the same time, PASOS decided to take a closer look at the democracy assistance policies of both the EU and the new member states, so that our contribution to the debate on democracy assistance would be based on hard data, and an evaluation of the new members' record to date.

This is how the project, *Evaluation of the Democracy Assistance Policies and Priorities of the Visegrad Countries*, came to life, resulting in this book, **Democracy's New Champions**, and a series of policy briefs, and extended reports on the policies of each Visegrad country (Czech Republic, Hungary, Slovakia, and Poland) and on the impact of their

democracy assistance efforts in four target countries (Belarus, Bosnia and Herzegovina, Cuba, and Ukraine). This publication includes those reports, which are also individually available at www.pasos.org, in some cases in a longer version.

The project was made possible with the financial support of the International Visegrad Fund¹, the Open Society Institute Think-Tank Fund², and the Local Government and Public Service Reform Initiative (LGI) of the Open Society Institute.³

The project involved four PASOS members from the Visegrad countries, namely EUROPEUM Institute for European Policy, Czech Republic, the Center for Policy Studies at the Central European University, Hungary, the Institute of Public Affairs, Poland, and the Institute for Public Affairs, Slovakia. Researchers from another PASOS member, the International Centre for Policy Studies in Ukraine, also participated in the project, along with independent researchers who worked on the evaluation of the Visegrad Four countries' democracy assistance policies in Bosnia and Herzegovina, Belarus, and Cuba.

For the purpose of our research, we have defined democracy assistance as “a policy aimed at helping third countries build institutions of democratic governance, foster public participation in democratic governance, support pluralism in the shape of multi-party politics, freedom of expression and independent media, promote and protect human rights, and work towards establishing the rule of law”.

The methodology underpinning the research was initially drawn up by David Král, Director of EUROPEUM, including a brief for the Visegrad research, for research at the EU level in Brussels, and for the target country research. The methodology was refined in consultation with Jacek Kucharczyk and myself (editors of this final publication), and the individual country researchers, so that it could be adapted to the very different circumstances in the four target countries.

Throughout the project, the researchers' work was overseen and reviewed - in the early stages by David Král, then later by Jacek Kucharczyk and myself. The policy recommendations set out in each chapter were the joint efforts of Jacek Kucharczyk, myself, and the respective researchers.

The methodology of the individual research papers was further strengthened by the use of roundtables in the target countries, including the participation of Visegrad Four embassies, other donors in the target country, and civil society actors implementing democracy assistance in the respective countries. These roundtables, held in Sarajevo, Kyiv, Bratislava (for Belarus), and Prague (for Cuba) provided an important opportunity to test out initial policy recommendations on some of the key stakeholders involved. The feedback was very useful, and in the case of Visegrad Four embassy representatives often very critical of the procedures of their own Foreign Ministries.

A second set of roundtables were held in the Visegrad Four countries - a further round to test the evolving policy recommendations emerging from the project. The results are the final reports and this book, **Democracy's New Champions**. The project has benefited from a combination of open meetings, and also off-the-record meetings with representatives of the Visegrad Four embassies, in addition to the extensive interviews carried out by the respective researchers. In the interests of protecting the security of some interviewees in Cuba and Belarus, their names have not been included in this publication.

The timing of the project opens up some important opportunities to influence the Visegrad Four's policies in the field of democracy assistance, not least because both in Poland and in Hungary a new national democracy assistance strategy is currently being finalised, in Slovakia a new director of the Slovak Agency for International Development Co-operation (SAMRS) has just taken office, and the Czech Republic is about to hold the EU Presidency in the first half of 2009 - at a time when EU enlargement to the Western Balkans, EU-Russia relations, and the EU's relations with its eastern neighbours are among the top agenda items of the Czech Presidency.

PASOS will also continue at the EU level to work with the EPD and the democracy caucus in the European Parliament to make further recommendations for the review of the European Instrument for Democracy and Human Rights, and to push for greater flexibility and direct support to civil society working in repressive regimes.

In addition to all those who helped the researchers by providing time for interviews, we would like to thank the following for their support and inspiration, in some cases in making it possible for the project to be launched in the first instance, and in some cases the care and time they took to look at some of the texts and recommendations:

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Endnotes

¹ www.visegradfund.org

² www.soros.org/initiatives/thinktank

³ <http://lgi.osi.hu>

About the Authors

Dr Jacek Kucharczyk is Research Director at the Institute of Public Affairs, one of Poland's leading think-tanks. A member of the Board of PASOS from 2005-2007, he is currently a member of the Board of the newly formed European Partnership for Democracy, and a member of the Sub-Board of the Open Society Institute Think-Tank Fund. In 1999, he received a PhD in Sociology from the Institute of Philosophy and Sociology of the Polish Academy of Sciences. In 1994-1995, he was a fellow at the Graduate Faculty of the New School for Social Research in New York. He earlier studied at the University of Kent in Canterbury (MA in Philosophy in 1992) and at Warsaw University (MA in English Studies). Dr Kucharczyk is the author and editor of numerous policy briefs, articles, reports and books on Poland's domestic and foreign policy, governance and democracy, public opinion, EU integration, and transatlantic relations. His publications include *Democracy in Poland 2005-2007*, *Bridges Across the Atlantic? Attitudes of Poles, Czechs and Slovaks towards the United States*, *Citizens of Europe*, *European Integration in Polish Public Life*, and *Learning from the Experience of West European Think-tanks: A Study in Think-tank Management*. He is a frequent commentator on current domestic and European affairs and political developments for Polish and international print and electronic media. He has led many research projects, including in 2004-5 the German Marshall Fund of the US project, *Promotion of Democracy as a Common Challenge for the United States and Europe in the 21st Century*.

Jeff Lovitt is Executive Director of PASOS (Policy Association for an Open Society), a network of 36 independent think-tanks spanning 23 countries in Central and Eastern Europe and Central Asia. In November 2006, he launched a PASOS initiative to evaluate EU models of democracy assistance funding, and to push for more effective and more flexible funding to support democracy around the world. As a result, PASOS became engaged in the initiative to establish the European Partnership for Democracy (launched in April 2008), and embarked upon the project, *Evaluation of the Democracy Assistance Programmes and Policies of the Visegrad Four countries*, which led to the publication of this book, **Democracy's New Champions**. He also co-ordinated and edited a PASOS report for the European Parliament on *The Challenge of European Development Co-operation Policy for New Member-States*, which he presented at a meeting of the development committee of the European Parliament in October 2007. He was Director of Communications at the Berlin-based international secretariat of Transparency International, the global anti-corruption NGO, from November 2000 until leaving to become the first Executive Director of PASOS in Prague in March 2005. From 1995-1998, he was Central Europe correspondent for *The European* newspaper. From 1987-1995, he worked as an editor and journalist in London for *The European*, *the Sunday Times*, *New Statesman* and other publications. He has also reported for the *Financial Times*, and written as an op-ed contributor for the *International Herald Tribune*. From 1991-93, he was Reviews Editor of the British political weekly *Tribune*.

Vladimír Bartovic graduated in international trade and international politics from the University of Economics, Prague, Faculty of International Relations. In 2002 he studied at Universidad de Granada, Faculty of Political Science and Sociology. He is currently a PhD candidate at the Institute of International Studies, Faculty of Social Sciences, Charles University, in Prague. From 2000 till 2002 he worked as an editor of *Integrace* magazine. He has co-operated with OSCE election missions in the Czech Republic, Slovakia, and Kosovo. His areas of research interest include EU institutional reforms, EU enlargement policy, and the integration of the Western Balkans countries into the EU. He is also leading several democracy assistance projects in the CIS and Western Balkans countries.

Áron Horváth is a graduate of the Masters in Public Policy programme at the Central European University, Budapest, where he focused on development theories and practices, especially on the development policy of the EU, and the effectiveness of the European Commission and the UNDP as multilateral donor organisations. He also holds a Communications Degree (thesis: Corporate Social Responsibility) and Master of Arts in English Language and Literature (thesis: European and UK Defence policy) from the Faculty of Humanities at Eötvös Lóránd University, Budapest. He conducted the research on Hungarian development assistance policy for the PASOS report for the European Parliament on *The Challenge of European Development Co-operation Policy for New Member-States*.

Piotr Kaźmierkiewicz is a policy analyst, co-operating with the Institute of Public Affairs in Warsaw. A political scientist, graduate of Southern Oregon University and Central European University, he is author and editor of publications related to development policy, East-West migration, relations between Central Europe and western CIS states, and future EU enlargement. He is a consultant with a record of collaboration with the European Commission, United Nations Development Programme, and the International Organization for Migration.

Grigorij Mesežnikov is a graduate of the Faculty of Arts at Moscow State University (MGU). Between 1983 and 1993, he worked at Comenius University in Bratislava; from 1993 to 1997, he served at the Political Science Institute at the Slovak Academy of Sciences. He is a founding member of the Institute for Public Affairs (IVO), which he joined full-time in June 1997. In February 1999, he became President of IVO. Between 1994 and 1998, he was the secretary of the Slovak Political Science Association, while from 1996 to 1997 he lectured at Trnava University's Department of Political Science. He has published expert studies on political aspects of transformation in post-communist societies in various monographs, collections and scholarly journals in Slovakia, the Czech Republic, Austria, Slovenia, Hungary, Germany, Denmark, USA, Canada, Great Britain, France, Serbia, Taiwan, Ukraine and Belarus. He regularly contributes analyses of Slovakia's political scene to domestic and foreign media. Since 1993, he has been an external correspondent for Radio Free Europe/Radio Liberty. He has co-edited and co-authored a number of books, including the *Global Report on Slovakia*, an annually published comprehensive analysis of the country's development in all relevant sectors of society (domestic politics, foreign policy, economy, social policy, etc).

Věra Řiháčková is a research fellow at the EUROPEUM Institute for European Policy in Prague, Czech Republic. She graduated from the Faculty of Social Science in Political Science and International Relations and from the Faculty of Humanities, Charles University in Prague. She studied political science at the University of Copenhagen, Denmark. She is a PhD candidate in International Relations at the Charles University, Prague. She attended the Fulbright-US State Department Program on US National Security and Foreign Policy Post 9/11 at the Institute of Global Conflict and Cooperation, University of California, San Diego, in 2006. Her main areas of expertise are: EU institutional reform, Transatlantic relations, European Neighbourhood Policy, and Security and Counter-terrorism.

Marian Kowalski is an independent academic and analyst, focusing on the democratic transition process in the post-Soviet countries.

Sanida Kikić has a master's degree in International Relations and European Studies from Central European University in Budapest (2006-2007), and a BA in Government and Economics from Bowdoin College, in Brunswick, Maine (2000-2004). In her academic and professional career, she

has focused on South-Eastern Europe in general, and Bosnia and Herzegovina in particular. Her master's thesis was focused on analysing security sector reform efforts of the international community in post-conflict countries and in Bosnia and Herzegovina in particular. She previously worked for the Office of the High Representative in Sarajevo in the Political Department. Sanida currently lives in Washington D.C. and works for an international development consulting firm as an associate in their Europe and Eurasia Department.

Francesco Guarascio is a professional journalist based in Brussels, specialising in EU and international affairs. He has reported for different Italian and EU media from Afghanistan, Cuba, Georgia, Azerbaijan, Russia, Armenia, Northern Cyprus, South Africa, and several EU countries, including Romania, Spain, and Germany. In Cuba, he carried out a human rights project for the Czech NGO, People in Need.

Natalia Shapovalova has been working as a researcher for the International Centre for Policy Studies in Kyiv since 2005. She has an MA in International Relations, University of Maria Curie Skłodowska, Poland, and BA in Political Science, National University of Kyiv-Mohyla Academy, Ukraine. Her research interests include the European Neighbourhood Policy and Enlargement Policy, and Democratisation in Eastern Europe and Southern Caucasus.

Olga Shumylo is Adviser to the Deputy Prime Minister of Ukraine responsible for European integration and international co-operation. Her areas of expertise are: EU-Ukraine trade and economic relations (including negotiations on EU-Ukraine Free Trade Agreement), Ukraine's participation in EU agencies and programmes, Ukraine's relations with international financial organisations (World Bank, International Monetary Fund, European Bank for Reconstruction and Development, European Investment Bank, and International Finance Corporation), and co-ordination of international technical assistance to Ukraine. She also serves as Deputy Secretary of the Investors Council under the Cabinet of Ministers of Ukraine. In 2005-2008, she served as Deputy Director of the International Centre for Policy Studies (ICPS) in Kyiv, where she also headed the European Integration and Foreign Affairs Programme. Her ten-year professional career experience has included close co-operation with Ukrainian government institutions on building their capacity to implement European integration objectives, introducing EU standards in various spheres, and raising standards of policy analysis in European integration.

PART I.

Democracy Assistance Policies - Trends and Approaches

Re-energising Europe to Champion Democracy

The Visegrad Four bring fresh transition experience to the donors' side of the table

Jacek Kucharczyk
Research Director, Institute of Public Affairs, Poland

Jeff Lovitt
Executive Director, PASOS (Policy Association for an Open Society)

The support given during the 1990s by the United States and Western Europe to the emerging democracies of Central Europe was a major factor in their successful transition to full-fledged democracies. It culminated in the membership of ten former communist countries in the two most important groupings of democratic states within the framework of Euro-Atlantic relations, namely the North Atlantic Treaty Organization (NATO) and the European Union (EU). The EU enlargement of 2004 (in 2007 for Bulgaria and Romania) was arguably the greatest achievement to date of the EU in the field of democracy promotion. The success of the Visegrad Four countries (Czech Republic, Hungary, Slovakia, and Poland) has placed them in the position of stable market economies with an increasing interest in spreading the benefits of democratisation to their eastern and southern neighbours and, in the case of the Czech Republic, even further afield.

The zeal to spread the successful Central European experience of democratic transition is far from exhaustion, and the new EU members demonstrate a particular interest in securing a greater place for democracy promotion on the agenda of the EU, in particular in the context of the EU's eastern neighbours. This contrasts sharply with the scepticism about democracy promotion prevalent in the EU-15 (the EU's 15 members until the enlargement of 2004), and in the corridors of the European Commission in Brussels, in the wake of the apparent fiasco of the Bush administration's plans to spread democracy throughout the Middle East through the overthrow of Saddam Hussein's regime in Iraq.

During the past decade, there has been a whiff of defeatism about the prospects for spreading democracy worldwide. Alongside the death-toll caused by suicide bombings in Iraq, we have witnessed the entrenchment of authoritarian rule in Central Asia, democracy's fits and starts in much of Africa, the emulation of Fidel Castro by Hugo Chávez in

Venezuela, and the recurrent interference in politics by the military in south and south-east Asia (Pakistan, Thailand and Bangladesh, to name but a few instances). On the EU's doorstep, the continuing suppression of dissent by Aleksandr Lukashenko in Belarus, the splits in the Orange camp in Ukraine, and the conflict between Russia and Georgia do not conjure up a rosy picture either.

According to Freedom House, at the end of 2005 there were 122 "electoral democracies" in the world.¹ This figure amounts to 64% of the world's states, compared with 40% in the mid-1980s. However, after the impressive gains in the 1990s, progress has halted. The end of the cold war certainly ushered in a new era of freedom for many, but it is hardly surprising that the gains in democracy were not immediate in every corner of the world. That is cause for neither losing faith in the power of democracy, nor for retreating from the task of championing democracy and supporting those striving to protect and promote human rights around the world.

In fact, some of the new recruits to the community of democracies are the most insistent that the benefits of democracy should not be limited to those 122 "electoral democracies", but that the fruits of freedom should be shared with others as well, starting with their neighbours either at an earlier stage of the transition or where the transition has been stalled, or even reversed.

It is too early to say whether the release of political prisoners in Belarus in August 2008 is a temporary phenomenon: certainly, the parliamentary elections on 28 September did not mark the beginning of a multi-party system. Lukashenko is for the moment keen to face westwards while Russia threatens to increase oil and gas prices, and applies pressure for Belarus to endorse its support for the independence of Abkhazia and South Ossetia; it is hard to predict how far this expediency will lead to an opening up of political life or just the economy (not unlike the situation in Cuba under Raúl Castro), or how soon Lukashenko will again accept the embrace of the Kremlin.

In Ukraine, the parliamentary elections since the Orange Revolution have met international standards for fair and free elections, but the transition is not a one-way street. The establishment of the appropriate institutional checks and balances, for instance the division of powers between the semi-executive president and parliament, have seen different interests vying for influence, rather than a common determination to strengthen the democratic foundations of the state.

In Georgia, while the recent presidential and parliamentary elections have been free and fair, the international community is open to the criticism that - rather like with Boris Yeltsin a decade before - they placed all their hopes in one charismatic leader, Mikheil Saakashvili, rather than seeking to ensure that there was an effective multi-party democracy, with competing political parties capable of serving in turns as effective opposition and alternative government. After the Rose revolution, donor money was diverted to supporting

the government in its strengthening of democratic institutions, but the flow to civil society groups slowed to a trickle, not least because many senior figures in Georgian civil society had joined the government. Even domestic critics of Saakashvili are united in their condemnation of the aggression by Russia in August 2008, but there are real differences concerning domestic and foreign policies: those alternative voices should be supported in their work as democratic actors in Georgia.

One of the biggest challenges that Europe has to face beyond those neighbouring countries that want the perspective of EU membership is fighting the backlash against democracy - from Russia to Central Asia - where autocratic leaders have learned to use modern propaganda techniques to tarnish and outmanoeuvre democratic forces and their international backers. The tools available to democracy activists, such as working with the media or monitoring elections, are keenly studied by the authorities in Belarus and Kazakhstan, who are intent on staying one step ahead of the game.

But if the Visegrad Four are to emerge as democracy's new champions, they also have to argue the case for greater EU commitment to the promotion of democracy around the world. The new EU member states' fresh experience of the transition to democracy places them in a position where they understand very well the positions on both sides of the donors' table, and have a good grasp of what donor practices have been effective, and which have not. Furthermore, they are well placed to learn from the best of both US and EU approaches, and to help the EU find a way forward that does not mistake "democracy promotion" as a failed project of the Bush administration, but embraces it as a strategic objective in the interests of those people who continue to suffer under authoritarian regimes, and which also serves the interests of democratic societies around the world, whose citizens benefit from the peace, prosperity and stability that comes with democratic development in other countries.

Democracy Promotion after Iraq - Doubts in US and in Europe

Concerns over a backlash against the "freedom" and "anti-terrorism" agenda of the current Bush Administration in the United States resonate in the Middle East, but less so in other parts of Asia and Africa, or in the former Soviet bloc.² In the US, a serious debate about the effectiveness of democracy promotion was started by Fareed Zaharia's assertion that the introduction of multi-party democracy and competitive elections should be preceded by efforts to build strong and efficient state institutions able to ensure the rule of law on the territory in question. In similar vein, Edward D. Mansfield and Jack Snyder argued that "it is dangerous to push states to democratise before the necessary preconditions are in place and that prudent democracy-promotion efforts should pay special attention to fostering those preconditions".³

The idea of “sequentialism” in democracy promotion was in turn criticised by other democracy theorists, such as Thomas Carothers, who asserted that “prescribing the deferral of democracy - and consequently the prolongation of authoritarian rule - as a cure for the ills of prolonged authoritarianism makes little sense”.⁴ Carothers’ own position, which he calls “gradualism”, implies the recognition that in some cases, such as in countries ravaged by civil wars, conducting free elections may not be a plausible choice in the short term. Nevertheless, he rejects “sequentialism” as it provides a good excuse for autocrats to postpone democratic reforms until the conditions are ripe, which may mean indefinitely.

At the same time, even the most committed supporters of the idea of democracy promotion could not help but notice the damage that the Bush administration caused through the incompetence of US policies in Iraq since the removal of Saddam. As Carothers has put it, the idea of democracy promotion needs to be “decontaminated”. An opportunity may have arrived with the 2008 US presidential elections, in which both frontrunners have strongly criticised the Bush administration’s record on foreign policy.

John McCain endorsed Robert Kagan’s proposal for the establishment of a League of Democracies, a sort of democratic equivalent of the United Nations, as a tool for reinvigorating the idea of spreading democracy across the globe. Some top advisers of Barack Obama have also endorsed the idea, although Obama has not taken a stance to date. The reception to this idea in Europe has been rather lukewarm. Concerns have been expressed that the attempt to divide countries into democratic and undemocratic ones will alienate the emerging global powers, especially China, or resurgent Russia, whose co-operation the West badly needs in order to tackle some important global challenges, such as climate change.

Thus, the insistence on spreading democracy through the League of Democracies might clash with Europeans’ desire for a multi-polar world and a multilateral approach to international politics, which they hope to see in the post-Bush era.⁵ On the other hand, the idea of the League of Democracies has provoked an interesting debate, and even its critics had to admit that - short of establishing a new organisation - international adjustments are needed in order to make global progress in democratic governance.⁶

The EU’s own record in democracy promotion remains a mixed one. After the enlargement of 2004, as well as the euphoria of the Orange and Rose revolutions in Ukraine and Georgia, in which the idea of “Europe” played a mobilising role, the EU could plausibly claim the success of its “soft power” in comparison with the failure of American “hard power” in Iraq. The celebrations were, alas, not to last. The rejection of the EU Constitutional Treaty by France and the Netherlands started a period of European “navel gazing”, which has been prolonged by the 2008 Irish “No” vote against the Treaty of Lisbon.

At the same time, the EU failed to offer Ukraine and Georgia an incentives package commensurate with the high expectations generated in these countries during the colour

revolutions. Although the European Parliament welcomed the Orange revolution with a declaration of a “European perspective” for Ukraine, EU policymakers did not follow their example, and any mention of further EU enlargement towards the East has been scrupulously avoided.

In the years that followed, the EU (as well as the US) has been reluctant to substantively respond to a resurgent Russia, promoting its own idea of “sovereign democracy”, an Orwellian term denoting a crackdown on democratic freedoms at home and increasingly aggressive policies in Russia’s “near abroad”. The war and the subsequent partition of Georgia in August 2008 are a consequence of Russia’s new confidence and the West’s inability to confront it. Divided between Russia’s critics and apologists, the EU managed to respond in one voice to Russian aggression, but its response went only as far as demanding the restoration of the pre-war *status quo*. Not only the existing differences of opinions and interests among EU members, but also Europe’s dependence on Russia’s energy supplies, make the EU’s options vis-à-vis Russia so limited.

Europe’s track record in democracy promotion in its southern neighbourhood also remains at best mixed. Wary not to alienate the southern Mediterranean states, EU politicians tried to play down the importance of democracy in order to focus on the development of fruitful relations with the current regimes in the region. The US botched the democratisation of the Middle East, and the European colonialist past seems to have a crippling effect on the EU’s ability to talk straight about democracy in the region. The Union for the Mediterranean, created on the initiative of French President Nicolas Sarkozy, is also unlikely to become a milestone in democracy promotion in the South.

As regards the EU’s own institutional tools of democracy assistance, the most important recent change has been the reform of the European Initiative for Democracy and Human Rights, designed to make it more flexible and better equipped to provide support to democracy activists in difficult political terrain. The most important changes include the possibility of funding non-registered NGOs and (in exceptional cases) individuals, introducing possible re-granting tools, diminishing the administrative burden for smaller grants, and an easing of the financial guarantee requirements.

As Věra Řiháčková argues in this book, the reform of the regulations was important, but the real challenge lies in modifying the administrative culture of the EU institutions responsible for the implementation of the EIDHR, which continue to operate on the basis of the “rules first, quality second principle”. In general, even this limited reform of the key EU external assistance instrument remains a significant victory for the EU civil society actors that lobbied for such (and other) changes.

Another important step in making the EU institutionally better equipped to tackle the challenge of democracy promotion was the establishment in Brussels in 2008 of a new foundation under the name “European Partnership for Democracy” (EPD). The idea of

such an institutional instrument, modelled along the lines of the US National Endowment for Democracy (NED), was first proposed in the Polish non-paper prepared for the EU Copenhagen summit in December 2002, and then championed by some governments (especially the Czech government) and pro-democracy organisations such as the Netherlands Institute for Multi-Party Democracy and PASOS. Launched in April 2008, with the participation of European Commission President José Manuel Barroso, EPD has the chance to become an important European contributor to worldwide democracy assistance.

Central Europeans Get Serious About Democracy Assistance

In Central Europe, the memories persist of the strong US support to dissident movements, such as Charter 77 in then Czechoslovakia and Solidarity in Poland, when there was much less European engagement in the communist bloc. This is true of both the US government (mainly through NED) and George Soros's Open Society Institute (as well as other private donors). US support was also crucial during the early stages of the transition, when many NGOs were established thanks to American institutional support. At the same time, as we already observed, the prospects of EU membership (as well as EU financial assistance) helped the Central Europeans to make progress in terms of meeting the so-called Copenhagen criteria on democracy, the rule of law, protection of minorities, and an effective market economy.

Following the 2004 EU enlargement, the new members from Central and Eastern Europe have moved towards becoming donors of democracy assistance, establishing their own publicly funded aid programmes.

In 2006, more than € 10 million was deployed by the V4 governments in the field of democracy assistance, with a strong focus on support to Ukraine and Belarus. This ranks as a tiny drop in the aid business, compared for instance with the estimated € 340m provided in the same year by Sweden (24% of Swedish bilateral ODA), the EU's most generous per capita supporter of democracy around the world, but the 2006 figures rank better alongside France, whose € 52m allocated to "governance" represented just 0.7% of France's official development assistance (ODA), compared with € 6.5m committed towards democracy assistance by Poland, amounting to 7% of Poland's bilateral ODA, and an average of € 1.9m per annum in Slovakia from 2004-2007, amounting to as much as 34% of Slovak bilateral ODA.

Poland is one of the key donors in Ukraine, and the size of its democracy assistance to Ukraine rivals that of the leading European donors in the field. Poland was not only more generous than Sweden or the UK in terms of the percentage of ODA to Ukraine that was

| | Czech Republic | Slovak Republic | Poland | Hungary |
|--|--|---|---|--|
| Target countries for democracy assistance | In 2004, only projects in Iraq were funded. Ukraine Belarus Moldova Georgia Serbia Bosnia and Herzegovina Iraq Cuba Burma | Serbia (including Kosovo) Ukraine Belarus Montenegro Afghanistan Kazakhstan Kenya Kyrgyzstan Bosnia and Herzegovina Sudan Macedonia | Ukraine Belarus (non-ODA official bilateral assistance) Moldova Georgia Afghanistan Angola Iraq Palestine Authority Vietnam | 2004-6: Serbia Montenegro Bosnia and Herzegovina Vietnam Macedonia Moldova Ukraine Kyrgyzstan Palestine Authority Ethiopia Yemen Cambodia Laos Afghanistan Iraq 2008: Serbia Belarus Moldova Albania Cuba Palestine Authority North Korea |

devoted to democracy assistance, but its allocation of € 4.7 million in 2006 was roughly the equivalent of the democracy assistance to Ukraine of Sweden and the UK combined. Moreover, more Ukrainians receive scholarships funded by the Visegrad Four (partly through the International Visegrad Fund) than by the rest of the EU put together.

Democracy assistance funded by the Czech Republic in 2006 amounted to € 2m (1.56% of Czech ODA), up from € 0.57 million (0.53% of ODA) in 2005, while in Hungary - after a fall in ODA during budget cuts in 2006 - democracy assistance rose from € 0.65 million (0.6% of ODA) to an estimated € 1.25 million in 2007.

"In our country, there will be no pink or orange, or even banana, revolution," commented Belarusian President Alexander Lukashenko after the election of Viktor Yushchenko as President of Ukraine in January 2005. "All those coloured revolutions are pure and simple banditry," said Lukashenko, who proceeded to have countless opposition figures arrested

during the 2006 presidential election campaign in Belarus. Three of the Visegrad Four countries border on Ukraine, while Poland also borders with Belarus and the Russian enclave of Kaliningrad. The need to end autocratic rule, and to support consolidating democracies, will remain high on the Visegrad countries' agenda so long as tyranny persists on their doorstep.

With their intimate knowledge of the EU accession process, the Visegrad Four (V4) countries are also in a position to draw on the "soft power" credibility of the EU, but at the same time on their own experience of engagement with US democracy promotion. The democracy assistance programmes of the V4 countries remain at a relatively early stage in their formation, but the democracy know-how of the countries goes far beyond their governments' own programmes.

There are a number of dynamic V4 non-governmental organisations (NGOs), for instance Pontis Foundation and People in Peril Association in Slovakia, People in Need in the Czech Republic, and the organisations active under the umbrella of Grupa Zagranica in Poland, working to strengthen non-governmental forces and human rights campaigners in autocratic regimes, for instance in Belarus, Cuba, and Burma.

At the same time, other NGOs such as the government-supported International Centre for Democratic Transition (ICDT) in Hungary, are building up expertise in supporting democratic structures in both governmental and non-governmental sectors, particularly in the western Balkans, but more recently also in Belarus.

Consultants and even some diplomats from the new member states, notably the Visegrad countries and the Baltic states, have a high reputation in the western Balkans and in Ukraine, as they perceive the European integration process through applicants' eyes, and they are more likely to understand and even speak the local language. Consultants from the V4 countries are also increasingly hired by US and other western governments and development agencies, as they have an intimate understanding of the transition process.

The Need for More Effective Structures and Policies

There is no single V4 approach to funding or modes of democracy assistance, and co-ordination of their still modest resources is limited to the International Visegrad Fund - with a budget of € 5.8 million in 2008, only a fraction of which goes to democracy projects. Moreover, the respective V4 governments are only now beginning to set up development aid agencies, let alone democracy assistance agencies (with the exception of the Transition Promotion unit at the Czech Ministry of Foreign Affairs). Moreover, small grants

administered by embassies are blunted by slow, centralised decision-making processes, combined with limited embassy staff resources in recipient countries.

In fact, the V4 countries are still going through a transition in their own civil society sectors, where capacity is still being developed to be able to engage effectively on the international stage, for instance to gain the attention of EU institutions in Brussels, and to be robust enough to be major players in development aid and democracy assistance abroad. Nevertheless, a consistent conclusion from the research conducted by PASOS was the need for more funding to go directly to NGOs and individuals in the *recipient* countries, if there is the absorptive capacity. Where the capacity is lacking, priority should be given to building sustainable partnerships with local actors - and to use the limited resources of the V4 governments to maximum effect, for instance as matching funding for grants from larger donors, including the EU.

Support in European Integration is Clear-cut Niche for Visegrad Four

The democracy assistance programmes of the V4 countries remain at a relatively early stage in their formation. Notably, there is a limited quantity of funding and projects coming from the V4 countries for democracy assistance towards some of the target countries, and assistance is spread too thinly.

Most of the democracy assistance projects pursued by the V4 donors are not large in scope, especially when compared with those supported by other international donors active in this field, such as the United States Agency for International Development (USAID), the Organization for Security and Cooperation in Europe (OSCE), and the Delegation of the European Commission to the respective countries (in the case of Ukraine and Bosnia and Herzegovina, for instance). However, the relatively low visibility of V4-sponsored projects may also indicate that these projects are poorly targeted, and that they do not fill the gaps in democracy assistance projects sponsored by big donors, in other words they do not sufficiently draw on the comparative advantages of the V4 countries' experience.

V4 countries should narrow their focus to a specific set of issues where their contribution could provide most "added value" to democracy-building efforts.

Thus, in strategising their democracy assistance to the target countries, the V4 countries should take into account the following factors:

- the level of monetary commitment by V4 countries for democracy assistance;
- the weak areas of democracy, where V4 transition experience would be useful for

- promoting change; and
- the activities of other international actors in effecting change in weak areas of a country's democracy in order to ensure the efforts of the V4 countries are complementary.

Moreover, the **V4 countries should co-operate with local actors** already active in democracy-building in order to better formulate an effective strategy for achieving the desired goals of their democracy assistance policy.

Championing Democracy as an EU Priority

Above all, democracy's new champions must insist that the EU enshrine as a key pillar of a European common foreign and security policy the support and protection of democracy and human rights throughout the globe. That does not mean that Iran, North Korea, or Saudi Arabia for that matter, should be targeted for "regime change". What it does mean, however, is that the EU should extend and deepen its expertise in the field of democracy assistance - providing support to civil society working for democratic change and, where change is underway, support to governments and political parties to develop democratic institutions **as well as continuing support to non-governmental actors**.

The EU needs to combine its "soft power" - the respect for its democratic values - with the assumption of more responsibility within NATO, so that the latter's security umbrella can be extended on the basis of a credible European commitment to defend its members from aggression. In the case of Russia, "soft power" is simply not enough. The EU needs to work also at the diplomatic level with other democratic partners, including the US, but also Turkey, for instance, with its greater understanding of the Islamic world, and perhaps with Ukraine, with its close understanding of Russia, to put in place achievable goals to support democratic actors in ways that combine concern for their security with a determination to spread democracy throughout the globe.

The Visegrad Four members have made democracy assistance a top priority of their official development assistance. They must also shoulder their share of responsibility for development assistance to the poorest parts of the world - in particular sub-Saharan Africa - but they should not lose sight of their comparative advantage, the transition to democracy and their understanding from first-hand experience of the need to tear down the walls of authoritarian rule. If they can ensure that this remains a dynamic feature of the EU's common foreign policy, they will have proved themselves to be "democracy's new champions".

Endnotes

- 1 *Freedom in the World*, Freedom House, www.freedomhouse.org
- 2 *The Backlash Against Democracy Assistance*, a report prepared by the National Endowment for Democracy for Senator Richard G. Lugar, Chairman, Committee on Foreign Relations, United States Senate, National Endowment for Democracy, 8 June 2006
- 3 Edward D. Mansfield and Jack Snyder, "The Sequencing 'fallacy'", *Journal of Democracy*, Volume 18, Number 3, July 2007, p. 5.
- 4 Thomas Carothers, "Misunderstanding Gradualism", *Journal of Democracy*, Volume 18, Number 3, July 2007, p. 19.
- 5 David Hannay, "The next US President should forget the League of Democracies", *CER Bulletin*, Issue 61, Centre for European Reform, August/September 2008, http://www.cer.org.uk/articles/61_hannay.html
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POLICY RECOMMENDATIONS FOR VISEGRAD FOUR COUNTRIES IN DEMOCRACY ASSISTANCE

- **The V4 countries are potentially key actors in helping neighbouring countries with the EU integration process.** They are regarded positively by local stakeholders. As such, if the V4 countries decided to focus their democracy assistance work in this area, this would undoubtedly be well received by local actors.
- **Visegrad governments should co-ordinate more on funding, and engage in common advocacy at the Brussels level to strengthen EU policies towards the eastern neighbours** - and the implementation of those policies.
- The priorities of V4 governments do not differ much from the priorities of USAID, the EU, SIDA or other big donors. **The value of V4 support rests on the fact that V4 government and NGO experts have democratisation experience that is easily applied.**
- **Continuity and coherence of joint projects, and the variety of co-operation areas:** Whereas co-operation with NGOs from old EU member states has an *ad hoc* nature and the scope of projects is limited, the co-operation with V4 NGOs has continuity and coherence, and meets target countries' needs. Joint projects have covered various aspects of democratisation, and this should be continued.
- **The role of the V4 embassies in promoting democracy should be given more prominence**, and should be strengthened in future democracy assistance policies of the V4. The work of the V4 embassies is generally regarded very positively.

- **One of the crucial issues for the development of democracy is the strengthening of the civil society/ NGO sector.** This could prove to be an area on which the V4 countries could focus their democracy assistance policies. However, since a plethora of international actors have been very active in addressing this particular issue, V4 activities in this area require substantial co-ordination with other international actors involved, as well as careful prioritising in terms of the types of assistance and organisations that should be supported.
 - **The V4 countries should significantly improve the co-ordination of their democracy assistance programmes, and set up a joint Visegrad Democracy Fund either in individual countries or in regions, such as the western Balkans.** Grants provided by most embassies are very small. If all four embassies in a given target country were agreed on a particular project they wanted to support together, there is not a mechanism or resources to do so. Co-operation could take the form of setting up a permanent committee of ambassadors, which would meet regularly in order to exchange information and co-ordinate their priorities in this area.
 - **The establishment of long-term partnerships with select NGOs in the target countries.** V4 democracy assistance programmes should help to build a vibrant and sustainable civil society. In order to achieve this aim, their funding should not be limited to support for individual projects. A revised approach should include the establishment of long-term partnerships with select NGOs, which might then receive some multi-year institutional funding, enabling institutional development
- of these NGOs as well as helping them build the capacity, sustainability and co-funding in order to be able to bid successfully for grants from larger donors.
- **V4 democracy assistance programmes should encourage co-operation between V4 civil society and target-country NGOs by funding projects that incorporate the participation of a V4 partner, but do not require the V4 partners to be the lead or the participation of at least three V4 partners (as in the case of the International Visegrad Fund).** Additionally, V4 programmes could encourage regional co-operation by instituting trilateral projects, with the participation of two NGOs from non-V4 countries and one V4 partner. Feedback during the research indicates that both embassies and target-country NGOs consider that the V4 countries could encourage stronger local ownership of projects.
 - **In order to better utilise their specific know-how regarding the transition to democracy and European integration processes, the V4 countries should help strengthen independent think-tanks/policy research institutes in target countries,** whose management and researchers could be trained through study visits and internships in their V4 counterparts and who would collaborate with such V4 counterparts on future project work. The emergence of effective independent think-tanks can provide an important stimulus to wider public debate and public participation in democratic decision-making.
 - **The V4 countries should build on their successful initiatives in**

providing scholarships and study visits to V4 countries for young democracy activists, and also assist the emergence of a new generation of democratically oriented citizens by supporting youth and NGOs engaged in activism for democracy. In addition, long-term internships in NGOs should be supported.

- **Through sharing their own experience, the V4 countries could make a significant contribution to the strengthening of dialogue between political actors and civil society groups.** V4 NGOs could share their experience of establishing civic dialogue with government in their respective countries. This should include NGO/public administration co-operation at other levels of government, and not just the state level.
- **The V4 countries are uniquely placed, through sharing the know-how acquired in their own EU accession, to assist neighbouring countries in the process of European integration.** EU candidate and Stabilisation and Association Agreement (SAA) signatory governments receive an annual report on the respective country's

progress towards fulfilling EU requirements for the accession process. There is a section within the report that addresses issues related to democracy strengthening. That report could be used as an inspiration for the setting of the priorities of V4 democracy assistance related to EU integration. V4 grants should also assist target-country NGOs in bidding for EU grants, for example by providing local NGOs with the required matching funding.

- **V4 countries should continue their peerpressure on target-country politicians for further democratisation,** and in the western Balkans and Ukraine remain advocates of the respective countries' European aspirations, at the same time as promoting/supporting the idea of using what is on offer from the EU (e.g. deep free trade, border management and migration, both within the EU and the respective countries). They should provide more expert support to alignment with EU norms and standards in the framework, for instance, of the EU-Ukraine enhanced agreement (especially regarding the rule of law and independence of the judiciary), and identify areas of alignment with the EU *acquis communautaire* that could be supported from funds within bilateral assistance.

Limited Resources, Global Ambitions

The Czech Republic's Democracy Assistance Policies and Priorities

Vladimír Bartovic
EUROPEUM Institute for European Policy, Czech Republic

As values-oriented diplomacy is supported by all the mainstream Czech parliamentary political parties¹, democracy assistance has become one of the Czech Republic's most important foreign policy priorities. According to the Transition Promotion programme concept - the official strategy of Czech democracy assistance - "the promotion of democracy in terms of the participation of citizens and protection of human rights and fundamental freedoms is a foreign policy priority of the Czech Republic as it enhances security, stability and prosperity."²

The Czech Republic has been providing democracy assistance since the middle of the 1990s as a part of Czech development aid. In 2005, transition promotion rose in importance in the framework of Czech foreign policy and became a distinct policy area. The majority of Czech democracy assistance aid is managed by the Human Rights and Transition Policy department (H RTP) of the Ministry of Foreign Affairs (MFA) through the so-called Transition Promotion programme, and the remaining aid is managed through the United Nations Development Programme (UNDP) regional office in Bratislava and the embassies of the Czech Republic in target countries. The funds managed by UNDP are a part of the Czech-UNDP Trust Fund in the framework of Czech development aid, while H RTP has a separate budget. The principal focus of this evaluation is on the democracy assistance managed through the Czech MFA's H RTP department.

The Czech Republic's Transition Promotion programme focuses on two groups of target countries:

- Developing countries and countries in transition - countries of the former Soviet Union (Moldova, Ukraine and Georgia), the Balkans (Serbia, Bosnia and Herzegovina), and Iraq.
- Countries with undemocratic regimes where human rights are violated, such as Cuba, Belarus, and Burma.

The two main goals of Czech democracy assistance are democratisation and social transformation³. Different goals and types of activities are supported in each of the two groups of target countries. While in the first group the fostering of civil society, reform of state administration, and capacity-building activities predominate, in the second group human and political rights, particularly freedom of expression, are the principal areas of support. The values-oriented diplomacy, and co-operation with Czech NGOs, enables H RTP to work without the permission of the host country, which is extremely important in the case of undemocratic regimes, such as those in power in Cuba, Burma, and Belarus.

The Czech government supported the idea of the reform of the European Initiative for Democracy and Human Rights (EIDHR), participated very actively in its re-negotiation, and consulted with Czech NGOs (such as People in Need) before developing its position on the EIDHR reform.

The MFA tabled several proposals with the aim of making EIDHR more flexible and making its regulations more understandable. One of the most important proposals made by the Czech side was to ensure that democratic forces in target countries are included in all stages of EIDHR (preparation and formulation of priorities for each country, evaluation, etc). The Czech negotiators also stressed that the European Commission Delegations in the target countries should stay in permanent contact with those democratic forces.

Almost all the Czech proposals were successful, with one notable exception: that state institutions in target countries (especially parliaments) should become eligible to receive funding from the reformed EIDHR.

Generally, the Czech government considers the European Instrument on Democracy and Human Rights (EIDHR II) to be a substantial and useful instrument, which should complement other EU policies and instruments, but views as problematic the cohesion of all EU democracy assistance policies. Greater cohesion and effectiveness should be made a priority in the coming years, argues the Czech MFA, which wants to see a stronger, long-term focus at the EU level on democracy assistance, and supports the British initiative for a so-called "European Consensus on Democracy", rather like the existing European Consensus on Development. The Czech Republic would support a substantial increase in EU funding for democracy assistance, but only if there was clear demand in the target countries and if the EU were able to precisely define how the additional funds would be deployed.

The Czech government also welcomed the creation of the European Partnership for Democracy (EPD), and was the first EU government to pledge funding to the new foundation, when it was launched in April 2008: the MFA donated CZK 2.5m, or € 100,000, for activities in the post-Soviet space. In addition, the MFA is sympathetic to the idea of channelling a part of EIDHR through the EPD, and for EIDHR and EPD to operate on a complementary basis - EIDHR focusing on longer and bigger projects, while EPD could operate on a more flexible basis, able to react to immediate needs for democracy assistance.

KEY CONCLUSIONS

Although a relatively small country, the Czech Republic can be considered one of the most visible actors in the area of democracy assistance and protection of human rights. The creation of the Transition Promotion programme in 2005 has complemented the efforts of the Czech government to promote democratisation and transition promotion - in different international forums and in its bilateral relations with countries with undemocratic regimes and countries in transition.

The importance of democracy assistance policies for the Czech government is reflected also in the existence of a specialised Department at the MFA dealing with transition promotion and human rights. The Czech Republic has created a special budget line, outside the framework of official development assistance, supporting NGO projects in this area.

An increasing number of Czech NGOs understand the importance and utility of the transfer of knowledge generated during the transition period in the Czech Republic to countries with autocratic regimes or countries in transition. In recent years, NGOs have gathered first-hand experience implementing democracy assistance projects, and the creation in the summer of 2008 of DEMAS (the Association for Democracy and Human Rights), an association of Czech NGOs working in the field of democracy assistance, is a further step towards their professionalisation and better co-ordination of their activities and the representation of their interests to the MFA and other stakeholders.

On the other hand, there is still a lot of scope for improvement. Although the budget of the Transition Promotion programme is constantly

rising, in 2006 it represented only 1.56% of the budget allocated for the Czech Republic's official development assistance. Combined with the inadequate human resources capacity of the Transition Promotion Working Group of the MFA, this does not correspond with the political support that is proclaimed for democracy assistance.

The consultation of democracy assistance policies, co-ordination of activities and exchange of information between the MFA and NGOs, and between NGOs themselves, are still based mainly on personal contacts and sometimes are not sufficiently transparent. There is also a lack of information activities that would explain, and gather support among the broader public for, democracy assistance policies.

POLICY RECOMMENDATIONS FOR CZECH GOVERNMENT

Czech EU Presidency (January-June 2009)

- initiate close co-operation with the European Parliament, particularly with its democracy caucus, to ensure that the Parliament conducts a mid-term evaluation of the effectiveness of the European Instrument for Democracy and Human Rights (EIDHR II), with a focus on a qualitative rather than purely financial evaluation, complementary to the evaluation scheduled to be undertaken by the European Commission in 2009;
- establish close co-operation with the Swedish presidency in order to complete this process;

- decide on a clear preference for the European Partnership for Democracy (EPD), and for more flexible, less bureaucratic and hands-on European-level approaches to democracy assistance; and express whether it prefers on balance to support more EPD's grant-making capacity or knowledge hub for democracy assistance best practices; depending on this position, it has to engage in coalition-building among EU member states and EU institutions, and to target key stakeholders (and to form a realistic strategy towards the German political foundations) in support of EPD;
- give better visibility in Brussels to DEMAS, the newly created platform of Czech democracy assistance NGOs, e.g. by supporting a joint conference during the Czech Presidency;

Priorities, policies, implementation, evaluation

- adopt a more tailored approach to the types of projects and activities supported in individual target countries; this should be done in consultation with Czech embassies, grantees implementing democracy projects, or other organisations working in the democracy assistance field in target countries;
- these tailored priorities should be published and serve as guidance for evaluating projects submitted under the annual grant scheme;
- consult priorities of democracy assistance with Czech NGOs active in this field prior to the announcement of the annual grant-making scheme, and use the newly established DEMAS as a permanent consultation forum between MFA and NGOs;
- concentrate on supporting projects where most of the activities take place in the target countries, and supporting projects with significant multiplier effects;
- refrain from providing long-term scholarships for studies in the Czech Republic; other sources should be used for scholarships (e.g. Ministry of Education, EU programmes such as Erasmus Mundus); these activities should be financed from Transition Promotion programme funds in only exceptional circumstances - where two conditions are met: (i) there is a direct link between the area of study and a possibility to improve the state of democracy, governance or human rights in the target country, and (ii) the students undertake the obligation to return, at least for some period, to the target country;
- support only activities with a clear democracy assistance component; avoid financing very specific activities that can be financed by official development assistance (such as reconstruction projects, purchase of specific health care equipment, etc);
- regularly exchange information on the supported activities and future plans with the Czech-UNDP Trust Fund and other donors (e.g. East-East Partnership Without Borders programme of the Open Society Institute) in order to avoid the duplication of activities or redundant competition, and in order to achieve greater synergy;
- implement a more complex approach to democracy assistance in the Western Balkans, and include among the priority countries Albania, as well as Kosovo, as the countries furthest from a prospect of EU membership;

- significantly increase democracy assistance funds as a share of overall development assistance budget: democracy assistance should be publicly stated as the top priority of Czech development aid;
- increase the share of funds distributed through the grant-making scheme since it is more transparent than *ad hoc* support, but preserve the *ad hoc* support possibility for its flexibility;
- create concrete criteria and guidelines for applications for *ad hoc* support;
- refrain from requiring a full project proposal in the case of co-financing of already approved projects; consider automatic co-financing if EIDHR funding is granted;
- create micro-grant scheme (up to € 5,000) at the embassy level in each priority country; the use of this funding should be reported to the Human Rights and Transition Policy department (H RTP) in order to create a complete database of projects implemented in the field of democracy assistance.
- support activities that will lead to a better understanding of, and support for, democracy assistance among the wider public, including systematic support to promote public awareness about democracy assistance, and improve synergies between all public relations activities carried out/supported by the MFA.

POLICY RECOMMENDATIONS FOR CZECH NGOS

- finalise the establishment of DEMAS and make it transparent and inclusive; focus on its sustainability, independence, and on effective representation in Brussels of Czech NGOs working in the democracy assistance field;
- exchange information on prepared initiatives or concrete activities and events, possibilities for co-operation, and reliable partners;
- follow up projects better on the ground; try to avoid the short project cycle approach often resulting from granting requirements;
- conduct better, more in-depth research into local needs in order to avoid the duplication of already existing mechanisms;
- develop exchange of information and coordination with other V4 NGO networks, such as Grupa Zagranica in Poland, and with other V4 NGOs (and NGOs from the Baltic states);
- secure funding to commission at least once every two years an independent evaluation of the implementation of their projects as necessary feedback about the actual impact of their work.

Transparency

- publish information on each budget allocation (distributed through grant scheme or as *ad hoc* support) and actual spending - with the exception of grantees who could be persecuted for receiving support;
- justify the reasons for declining support for concrete projects submitted under the grant scheme;
- prepare an annual report with a list of supported activities and their budget allocation, and plans for future development of democracy assistance policies;

Understanding Democracy Assistance in the Czech Republic

The democracy assistance policy of the Czech Republic is called “*transformační spolupráce*” - in English “transformation co-operation” - although the MFA prefers to use the expression “transition promotion”. According to the Transition Promotion programme concept, transition promotion concerns “the promotion of democracy and the defence of human rights, it focuses on the establishment and reinforcement of democratic institutions, the rule of law, civil society and the principles of good governance through education, provision of information, views and experience, in particular experience in the field of non-violent resistance to the totalitarian system and subsequent process of social transformation, experience of the Czech Republic and other countries of Central and Eastern Europe gained in the 1980s and 1990s.”⁴

Historical Overview

The Czech Republic’s democracy assistance policies were launched even before the creation of the Transition Promotion programme. In 2003, the Czech government decided to participate in the economic reconstruction and stabilisation of Iraq. Soon, the government realised that - in addition to the reconstruction of the country’s physical infrastructure - Iraq needed also support with the creation of civil society, with the implementation of the principles of the rule of law, and with the education of its people. At the end of 2003, the Czech MFA started to support educational and training activities, study trips and internships in Iraq.

The first funds - CZK 12 million (approximately € 376,000)⁵ - were allocated specifically to democracy assistance in March 2004 upon the decision of the Czech government. Those funds were aimed at covering the education, training and internships of Iraqi experts with Czech companies. This was the first step in the creation of the transition promotion policy of the Czech Republic. In order to administer those funds in the future⁶, the MFA created the Transition Promotion unit. Formally, it was established on 1 July 2004, and took the form of a special unit, a form of organisation the MFA uses rather exceptionally as an “evolution stage” before upgrading it into a classical department.

After the positive experience in Iraq and strong lobbying from the NGO sector (mainly the largest Czech development NGO, People in Need), the government decided in February 2005 to extend the application of transition promotion also to other countries and increased its funding for the year 2005 to CZK 14m (€ 470,000).

In April 2005, the Transition Promotion programme concept was adopted, which determined the priority policy areas and forms of democracy assistance provided by the Czech Republic. The Transition Promotion unit of the MFA allocated the first funds through a limited call for proposals.

Despite the recommendation of the Organisation for Economic Co-operation and Development (OECD)⁷ to include transition promotion under the framework of Czech development assistance, in August 2007 the MFA decided to merge the Department of Human Rights and the Transition Promotion unit within the MFA, and created the Human Rights and Transition Policy department (H RTP).

This decision was motivated by the desire to improve the co-ordination of policies in the field of human rights protection in target countries. While the Department of Human Rights dealt mainly with research and analysis and represented the Czech Republic’s interests in different international organisations and their bodies responsible for monitoring human rights, the Transition Promotion Unit was responsible for the management of specific projects improving the standards of human rights in target countries. The MFA also took into consideration the point that although transition promotion is considered part of development aid, its interconnection with the protection and promotion of human rights is more important.

Institutional Framework

Czech democracy assistance is conducted on the basis of the Transition Promotion programme concept. This conceptual strategy paper was adopted by the Collegium of Ministers⁸ in 2005. The document defines the Czech Republic’s assistance priorities, fields and forms of supported activities, and the target countries of Czech democracy assistance.

According to this document, Czech democracy assistance is co-ordinated by the MFA⁹, and represents a distinct governmental policy area. It is complementary to the state foreign development aid and the humanitarian aid provided by the Czech Republic. Czech democracy assistance is in conformity with Czech foreign policy priorities, and is determined by the national interests of Czech foreign policy.

H RTP is responsible for the management of funds devoted to democracy assistance, the selection process, and the evaluation of individual projects. Specifically, within H RTP there is a Transition Promotion programme Working Group, which is responsible for the co-ordination of democracy assistance. Currently, three H RTP officials are members of this working group. The department closely co-operates with other MFA departments - on conceptual issues with territorial departments¹⁰ and with Czech embassies in the target

countries, and technically (the same or similar budgetary and bureaucratic procedures) with the Development Co-operation and Humanitarian Aid Department.

H RTP can be considered to be an “implementation agency” of Czech democracy assistance. As far as H RTP is responsible for the management of democracy assistance, strategic decisions on priorities and target countries are taken by the collegium of ministers and are subject to consultation with the majority of MFA departments (especially those with strong stakes - territorial departments and embassies in target countries). The only decision taken at the governmental level is the decision on the overall amount of funds spent on democracy assistance. Since 2006, the funds earmarked for transition promotion have been approved by the government as one package in combination with development assistance funding.

The majority of projects supported by the MFA from the budget allocated to democracy assistance are implemented by Czech NGOs. The funds for projects implemented by NGOs are distributed through a grant scheme announced in the autumn of each year. The successful projects are announced at the beginning of the year, giving grantees enough time to properly implement projects so that they can complete them and the corresponding reporting by the end of the year.

This represents approximately 50% of available funds for each year. A further approximately 25% of funds are reserved for multi-annual projects approved in the grant scheme in previous years. The remaining 25% of funds are held as a reserve and distributed during the course of the year on an *ad hoc* basis. Although this is a less transparent way of allocation, it is important because its flexibility makes possible an immediate reaction to inputs and developments during the year. These funds are implemented either by NGOs or directly by the MFA or embassies in target countries.

To date, there have been five rounds of calls for proposals under the grant scheme mechanism - in 2005, 2006 (a regular call and a special call for Belarus), 2007, and 2008. In 2005 - due to the lack of time - there was only a limited call for proposals without clear set of criteria, requirements and settled procedures. Several organisations submitted proposals, and they were approved by the MFA on a rolling basis. Together, 13 projects were approved in this limited call.

The regular grant scheme was implemented for the first time in 2006. After manipulated presidential elections in Belarus in the spring of 2006, the Czech government decided to allocate an additional CZK 20m for democracy assistance in Belarus, and the Transition Promotion unit¹¹ issued a special call for proposals.

The grant scheme regulates the types of projects supported, defines eligible applicants and activities, and sets the financial and legal requirements for project applications. Each applicant must secure at least 10% of co-financing for the project.

Organisations eligible to receive funds from Transition Promotion programme comprise:

- civic associations
- public benefit companies
- foundations
- churches
- regional governments and municipalities
- universities
- interest-based associations of legal entities.

Evaluation of the submitted projects is undertaken in a three-step procedure:

1. checking the fulfilment of formal criteria
2. internal evaluation within the MFA
3. commission of officials and independent experts.

All the project proposals are checked at the beginning of the evaluation to determine whether they meet the formal criteria (eligibility as a legal entity, match with priority areas of transition promotion, co-financing, etc). This is done by the so called “envelope commission”, which consists of MFA officials. After this step, the projects are evaluated by H RTP and the respective MFA territorial departments, as well as the embassies in the target countries. H RTP evaluates how the projects contribute to the transition policy of the Czech Republic according to the following criteria:

- contribution of the project to the target country development and knowledge of local conditions (30%)
- expert quality of the project (10%)
- financial and technical feasibility and timing (10%)
- adequacy of the budget in relation to the aims of the project (15%)
- proven expertise of the applicant organisation and its experts (15%)
- co-financing (15%).

Embassies and territorial departments evaluate projects from the territorial point of view (feasibility and relevance of the project implementation in the target country), and give their recommendation as to whether to support the project or not. Projects that receive more than 50% from H RTP and/or are recommended by territorial departments and embassies are submitted to the Commission of MFA officials and independent experts. Those where the recommendation of H RTP, territorial departments and embassies differ are also passed to the Commission with a note that a common recommendation could not be found.¹²

The final decision is made by the Commission. The Commission members are proposed by the director of H RTP, and they are appointed by the Chief of the Security and Multilateral

Section of the MFA. Commission members' names are published only after the evaluation and publication of their decision on projects.

Commission members each mark the project proposals submitted for their consideration by 0 - ½ -1 points, and the projects with the highest numbers of points are approved.

Projects approved by the Commission usually then enter the so-called "negotiating phase", where successful applicants have to amend the projects according to the recommendations of the Commission. In this phase, budget cuts are also applied to many projects. The Commission can also approve a project but for budgetary reasons postpone its implementation until the necessary funds are secured.

As to the transparency of the process, H RTP does not publish information explaining why specific projects were not approved. It is, however, open to each applicant to consult H RTP concerning the grounds for refusal.

| Transition Promotion programme grant scheme statistics (2005-2008) | | | | | |
|--|------|----------------|------------------|------|-----------------|
| | 2005 | 2006 (regular) | 2006 (Belarus) | 2007 | 2008 |
| Project proposals received | 13 | 35 | 23 | 53 | 42 |
| Passed formal criteria check | N/A | 33 | 22 | 41 | 40 |
| Passed internal evaluation | N/A | 29 | 22 ¹³ | 32 | 32 |
| Approved | 13 | 19 | 10 | 17 | 14 |
| Approved with postponed implementation | 0 | 0 | 0 | 6 | 4 ¹⁴ |

Instruments of Democracy Assistance

According to the Transition Promotion programme concept, the Czech Republic's democracy assistance focuses on the following priority policy areas:

- Education in the fields of key importance for the process of social transformation (economics, justice and legislation, armed forces and security, education, social system, state administration and local government, rehabilitation of political prisoners, reform

- of special services and of the army, restitution, privatisation, etc);
- Promotion of civil society, civil life and relations within local communities, promotion of activities of NGOs (in particular in fields important for social transformation), promotion of public engagement in decision-making processes;
- Promotion of the establishment and work of independent local media, improvement of the standards of journalists' work;
- Assistance in resolving problems related to undemocratic rule and/or to the practices of repressive regimes, as well as in reducing these problems or eliminating them, provision of support to persecuted persons or groups (e.g. mediation of material, legal, psychological, assistance), promotion of alternative ways of spreading information;
- Scientific research on aspects of transformation issues (economic, sociological, socio-psychological, legal, etc.) as a direct part of projects of transformation co-operation or their theoretical preparation;
- Financial support (co-funding) of projects in the above areas, for which financing is being sought from the funds of the EU or other international organisations.¹⁵

The document also specifies the following types of eligible projects:

- Training activities: study visits and scholarships, seminars, conferences;
- Publications;
- Study, work and exchange visits for students and young people, specialists, junior and local politicians, journalists, representatives of NGOs, etc.;
- Cultural events, presentations of cultural and training institutions;
- Projects launched independently by entities in the recipient countries.¹⁶

As mentioned before, the priority policy areas and also the forms of democracy assistance vary from country to country. There is no document specifying the preferred policy areas or forms of transition promotion for the individual target countries. The decision is made on an *ad hoc* basis by H RTP (after consultation with Czech embassies in target countries), although it can be assumed that the decisive factor is whether the target country has a democratic or undemocratic regime.

In practice, the following policy areas have been mainly but *not exclusively* considered by MFA as crucial in different target countries:

Belarus

- support of freedom of expression, independent media and information
- education of alternative political elites
- assistance to unjustly persecuted people

Cuba and Burma

- support of democratic opposition and dissent

Ukraine

- transfer of knowledge of the EU and NATO accession processes

Serbia

- development of corporate sponsorship/philanthropy, development of corporate social responsibility, increasing NGOs' fundraising skills
- NGOs' capacity building

Georgia

- capacity building of NGOs working with refugees and internally displaced persons

Moldova

- capacity building of NGOs in Transnistria
- facilitation of co-operation of NGOs from both sides of Dniester river

Iraq

- fostering the non-governmental sector.

Finances

| Distribution of funds according to priority countries in 2005 and 2006 (real spending) ¹⁸ | | | | | | |
|---|--|-------------|-----------|--|-------------|-----------|
| | 2005 number of projects supported | 2005 CZK | 2005 € | 2006 number of projects supported | 2006 CZK | 2006 € |
| Burma | 2 | 580,000 | 19,000 | 3 | 1,787,000 | 63,000 |
| Belarus | 9 | 3,835,000 | 129,000 | 26 | 18,900,000 | 667,000 |
| Cuba | 5 | 894,000 | 30,000 | 2 | 1,399,000 | 49,000 |
| Moldova | 1 | 1,075,000 | 36,000 | 2 | 1,637,000 | 58,000 |
| Serbia* | 2 | 303,000 | 10,000 | 4 | 3,370,000 | 119,000 |
| Ukraine | 1 | 99,000 | 3,000 | 4 | 2,822,000 | 100,000 |
| Georgia | 0 | 0 | 0 | 2 | 1,311,000 | 46,000 |
| Iraq | 2 | 660,000 | 22,000 | 8 | 11,627,000 | 410,000 |

*In 2006, part of the funds were used also in Bosnia and Herzegovina

The funds allocated to democracy assistance through the Transition Promotion programme increased from CZK 12m (€ 376,000) in 2004 to CZK 14m (€ 470,000)¹⁷ in 2005 and to CZK 54m (€ 1.905m) in 2006. The sharp increase of funds in 2006 was due to the extraordinary budget line created by the MFA after the manipulated presidential elections in Belarus in 2006. This budget line amounted to CZK 20m (€ 706,000). The estimated spending for 2007 was CZK 41m (€ 1.477m). Some of the above-mentioned spending was used also on projects that cannot be considered as democracy assistance, (e.g. purchasing medical equipment for Iraqi hospitals, reconstruction of an organ in Cuba). However, these activities do not represent a significant amount of the funds allocated by the MFA to democracy assistance.

All the priority countries of Czech democracy assistance are listed in the OECD Development Assistance Committee list of official development assistance (ODA) recipients. Funds allocated to democracy assistance projects are therefore considered a part of the Czech Republic's ODA. Czech ODA is constantly increasing. While in 2002 it was € 48.11m (0.065% of gross domestic product (GDP)), in 2006 it reached € 128.21 million (0.12% of GDP). Funds allocated for democracy assistance increased from 0.49% of total ODA in 2004 to 1.56% in 2006, but the figure still remains extremely low in comparison with other types of development aid.

| Czech Official Development Assistance (ODA) - millions € ¹⁹ | | | | | |
|--|--------|--------|--------|--------|--------|
| | 2002 | 2003 | 2004 | 2005 | 2006 |
| ODA total | 48.11 | 80.14 | 87.01 | 108.64 | 128.21 |
| bilateral ODA | 33.19 | 71.12 | 51.1 | 51.77 | 61.93 |
| multilateral ODA | 14.93 | 9.02 | 35.98 | 56.88 | 66.28 |
| Democracy Assistance from Transition Promotion programme | N/A | N/A | 0.38 | 0.47 | 1.91 |
| Democracy Assistance from Czech-UNDP Trust Fund²⁰ | N/A | N/A | 0.05 | 0.1 | 0.1 |
| Czech Democracy Assistance in total | N/A | N/A | 0.43 | 0.57 | 2 |
| Democracy Assistance/ ODA | N/A | N/A | 0.49% | 0.53% | 1.56% |
| ODA/GDP | 0.065% | 0.101% | 0.106% | 0.114% | 0.120% |

Target Countries

The target countries of Czech democracy assistance correspond with the Czech Republic's foreign policy priorities. The Czech Republic, as a country with extensive experience of life under an undemocratic regime, and of the subsequent transformation and integration into the international community, including organisations such as the EU, NATO, OECD, and the World Trade Organization (WTO), has generated experience worth sharing with other states. At the same time, the Czech Republic considers the support of stability, freedom and security to be an investment into its own future political and economical relations.

On the basis of the Czech Republic's foreign policy priorities, the MFA decided to include the following countries under the country's democracy assistance programmes:

- Developing countries and countries in transition - countries of the former Soviet Union (Moldova, Ukraine and Georgia), the Balkans (Serbia, Bosnia and Herzegovina), and Iraq.
- Countries with undemocratic regimes where human rights are violated, such as Cuba, Belarus, and Burma.

The list of these countries was drawn up in 2005 within the Transition Promotion programme. During the process of selecting the countries, consultations were held with Czech NGOs, such as People in Need, and with the group of people around former Czech President Václav Havel, who repeatedly emphasized the necessity for the "export of democracy" to countries ruled by undemocratic regimes.

There was only one change in the list, which arose when Serbia and Montenegro split. The MFA decided that only Serbia would be the target country of Czech democracy assistance. MFA officials reached the judgement that Montenegro had already implemented the majority of necessary reforms and was in less need of assistance than other countries of the Western Balkans (Serbia, and Bosnia and Herzegovina, in particular).

Although there is no formal ranking of target countries, attention to date has been focused on Belarus and Iraq. In the case of Belarus, the decisive factor was, as already mentioned, the manipulated presidential elections in 2006. In the case of Iraq, it was a pilot country for Czech democracy assistance. In the future, the MFA would like to support more projects in other priority countries, but it mostly depends on the projects proposed by Czech NGOs.

The MFA rarely supports activities in destinations other than target countries (e.g. North Korea, Iran). Less than 1% of the funds are allocated on an *ad hoc* basis to projects in these countries.

Other Sources of Czech Democracy Assistance Funding

Czech-UNDP Trust Fund

Part of Czech democracy assistance is provided through the Czech-UNDP Trust Fund. It was created in 2000, but until 2004 focused primarily on projects delivered in the Czech Republic. The mission of the Fund was changed in 2004, when it was decided to focus on projects in ex-Soviet republics and Western Balkans countries in the following areas:

- HIV/AIDS prevention
- environmental issues - Czech experience of removing the communist legacy of environmental problems (hot spots) and other areas of Czech good practice
- good governance, support for transformation to democracy and related issues - institutional capacity building, parliamentary democracy
- Czech experience of economic transformation

The last two areas can be regarded as "democracy assistance". The first projects under the new focus of the Fund were supported in 2005. The *modus operandi* of the Czech-UNDP Trust Fund differs from the Transition Promotion Programme. The fund primarily accepts project proposals from the respective country offices in destination countries, and afterwards looks for implementing organisations in the Czech Republic. This is carried out either by directly approaching specific Czech organisations or by public calls for proposals.

As the Czech-UNDP Trust Fund comprises a component of Czech development assistance, there is no official co-ordination with HRTP.²¹ The fund is managed by the United Nations Development Programme (UNDP) regional office in Bratislava, and co-ordinates its activities with the Department of Development Aid of the Czech MFA.

| Funds allocated to democracy assistance projects from the Czech-UNDP Trust Fund (2004-2006) | | | |
|---|---------|---------|---------|
| | 2004 | 2005 | 2006 |
| Czech contribution (€) | 313,000 | 504,000 | 648,000 |
| Democracy assistance projects (€) | 53,000 | 97,000 | 96,000 |
| Democracy assistance/Czech contribution | 16.93% | 19.25% | 14.81% |

Czech embassies

The MFA annually allocates certain funds to Czech embassies in the priority countries of Czech development assistance (Angola, Bosnia and Herzegovina, Yemen, Moldova, Mongolia, Serbia, Vietnam, and Zambia), which can be distributed among recipients in these countries on the basis of the decisions of the respective embassies. These funds can also be used for democracy assistance projects, but this depends on each embassy's priorities. In 2004-2006, these funds amounted to CZK 500,000 per year in each country, in 2007 and 2008 the allocation was CZK 1m, and for 2009 it is envisaged that CZK 2m will be spent in each of these countries.

Changes in Czech Democracy Assistance Policy

Since democracy assistance emerged as a distinct policy area in the Czech MFA only in the second half of 2004, there have been no major changes in this field to date. Nevertheless, it is possible to identify some patterns in the evolution of a policy, which started in the form of technical assistance in Iraq in 2004, and whose scope of activities was extended during the following three years.

Several patterns have emerged:

- Although there have been no changes in the list of target countries (except for the exclusion of Montenegro after the split from the federation with Serbia), in 2004 and 2005 the projects conducted were predominantly in Iraq. In 2006, greatest attention was focused on Belarus (presidential elections). There were almost no projects implemented in Serbia, Bosnia and Herzegovina, and Georgia. This situation changed in 2007, when five projects were funded in Serbia, three in Bosnia and Herzegovina²², and one in Georgia.
- From 2009, Kosovo will be included in the list of priority countries, following the decision of the Czech government to recognise its independence.
- The MFA is trying to improve the system of evaluation of projects. The plan is to introduce a system of monitoring project outcomes. So far, only two projects (in 2005) were subject to financial control. Occasionally, the control of projects' implementation is carried out by the embassies in target countries (e.g. by attending the events undertaken in target countries) or by H RTP (meeting with groups visiting the Czech Republic).
- The MFA is focusing its attention more on projects conducted directly in target countries rather than supporting study trips and internships in the Czech Republic.

- Democracy assistance has become more important: the Transition Promotion unit was upgraded to the position of department and merged with the existing Department of Human Rights. This will strengthen its analytical and research perspective.
- Funds allocated to this field are constantly rising (from CZK 12m in 2004 to more than CZK 41m in 2007).
- Eleven Czech NGOs working in the field of democracy assistance decided to create a common platform with its own secretariat for co-ordination and administrative support of their activities, co-operation with the MFA and other donors, and advocacy activities. The secretariat should be operational from September 2008. It is expected that the MFA will secure financing for the initial period.

Foreign Donors Supporting Czech Democracy Assistance NGOs' Projects

After the fall of communism, many foreign donors decided to assist Czech society in its transition towards democracy and pluralism. This process was successfully completed with the Czech Republic's integration into Euro-Atlantic structures (OECD, NATO and EU), and the donors brought to an end most of their funding for Czech NGOs. However, some of them realised the value of the knowledge and experience of Czech NGOs and individuals generated during the transition period in the Czech Republic. They also understood that it would be worth using this knowledge and experience in countries still on the path to becoming fully democratic and stabilised.

In addition, the countries in receipt of democracy assistance in the region of Eastern Europe and the Balkans consider the Central and Eastern European transition experience very much applicable, unlike that of Western Europe or the USA, which never went through this process. This led several foreign donors, such as the US National Endowment for Democracy (NED), Open Society Institute (OSI), Center for a Free Cuba, or Directorio Democrático Cubano, to support Czech NGOs in their efforts to transfer their knowledge and experience to countries with undemocratic regimes or countries in transition. While Center for a Free Cuba and Directorio Democrático Cubano supported People in Need's projects only in Cuba, NED also financed projects in Iraq and Eastern Europe, and OSI financed projects in Eastern and South-Eastern Europe and Central Asia.

National Endowment for Democracy (NED), USA

NED has drawn on the expertise of Czech NGOs mainly for projects aimed at fostering the skills of journalists, NGOs (in all supported countries), independent groups, such

as dissidents and unregistered NGOs (Belarus, Cuba), and local administration (Iraq, Belarus, Moldova, Ukraine).

Indicative list of projects of Czech NGOs supported by the NED:

2004

- People in Need, € 172,000 for projects in Cuba, Belarus and Iraq

2005

- People in Need, € 169,000 for projects in Cuba, Belarus, Moldova and Iraq
- Prague Society for International Co-operation, US\$ 12,000 for project in Russia
- Transitions Online, US\$ 52,000 for projects in Russia

2006

- People in Need, € 254,000 for projects in Cuba, Belarus, Moldova, Ukraine and Iraq
- Transitions Online, US\$ 63,000 for projects in Tajikistan, Uzbekistan, Kazakhstan and Turkmenistan, and US\$ 108,000 for project in Russia

In 2007, NED started to finance projects conducted by Civic Belarus in Belarus, and by Prague Watchdog in the North Caucasus.

Open Society Institute (OSI)

OSI finances democracy assistance projects through its international programme, “East-East Partnership beyond Borders”, which supports co-operation between partners from Central, Eastern and South-Eastern Europe, and Central Asia. The main goal of the programme is to help the post-Soviet countries in their transition to become standard democratic states. The foundation supports projects fostering, for instance, the rule of law, development of the NGO sector, anti-corruption measures, managing migration, and promoting equal opportunities. In 2005, OSI decided to launch a sub-programme for European integration to support co-operation between new EU member states, EU candidate countries and EU neighbours. Between 2004 and 2006, OSI supported 24 Czech projects that can be regarded as “democracy assistance”.

Besides the projects mentioned above, OSI supported the travel of Czech representatives in the framework of projects undertaken with the support of the East-East Partnership Beyond Borders programme in other countries.

| Projects supported by the East-East Partnership Beyond Borders programme of OSI | | | |
|---|--------|--------|--------|
| | 2004 | 2005 | 2006 |
| Number of projects | 8 | 5 | 12 |
| Granted amount (€) | 41,000 | 24,000 | 85,000 |

Organisations Working in the Field of Democracy Assistance

There are about 20 organisations in the Czech Republic that work in the field of democracy assistance. Apart from Civic Belarus, none of them was created solely for this purpose, and democracy assistance is not their exclusive area of work. Many NGOs working in this field are think-tanks and research institutes, such as the Prague Security Studies Institute (PSSI), EUROPEUM Institute for European Policy, Association for International Affairs (AMO), or Democracy and Culture Studies Centre (CDK), which use their expertise generated during the transformation process of the Czech Republic and transfer it to countries in transition. In recent years, the field of democracy assistance has been dominated by People in Need (PIN), which was the first Czech NGO to start working consistently in the area. Other NGOs²³ began implementing democracy assistance projects mainly after the Transition Promotion programme was launched, although even before this some projects fostering good governance were funded by Czech ODA and by the OSI East-East Partnership Beyond Borders programme.

The establishment of the Transition Promotion programme boosted the activities of Czech NGOs in the area of democracy assistance. They soon realised the need for co-ordination of their efforts when duplication of activities for the same target groups started to occur. With its overview of the activities funded through the annual grant scheme, the MFA was aware of the duplication, and from the beginning strongly supported the need for co-ordination.

On the initial impulse of People in Need²⁴, 11 Czech NGOs decided to create the Association for Democracy and Human Rights (DEMÁS) that will serve as a platform for co-operation, discussion, advocacy, lobbying, and promotion of the activities of its members in the field of democratisation and promotion of human rights. The association will be registered as an association of legal entities with its own secretariat that should be operational by the end of 2008.

DEMÁS is likely to complement the Czech MFA in advocacy for the Czech democratisation agenda in the EU (especially during the Czech presidency of the EU Council in the first half of 2009) and in other international forums. It is expected that the MFA will provide initial funding for DEMÁS.

Endnotes

1 With the exception of the Communist Party of Bohemia and Moravia (KSČM)

2 Transition Promotion programme concept, <http://www.mzv.cz/wwwo/mzv/default.asp?ido=15782&idj=2&amb=1&ikony=False&trid=1&prsl=False&poccl=1>

3 Meant as the transformation of society.

4 Transition Promotion Programme concept, <http://www.mzv.cz/wwwo/mzv/default.asp?ido=15782&idj=2&amb=1&ikony=False&trid=1&prsl=False&poccl=1>

5 Annual average exchange rate CZK/EUR: 31.904 (2004), 29.784 (2005), 28.343 (2006), 27.762 (2007)

6 Funds were administered in 2004 by the Department of Bilateral Economic Relations.

7 In 2006, the OECD Committee for Development Aid conducted an assessment of Czech development co-operation. One of the recommendations of the Committee for improving the co-ordination of Czech development co-operation was the inclusion of the Transition Promotion unit under the Department of Development Co-operation.

8 Advisory body of the Minister of Foreign Affairs, which, *inter alia*, adopts concepts and strategies of the Ministry of Foreign Affairs. Members of this body are the Minister of Foreign Affairs, the Minister's deputies, and other senior officials of the Ministry.

9 With the exception of the Czech-UNDP Trust Fund.

10 South Europe & South East Europe Department, North Europe & East Europe Department, American Department, and Asia & Pacific Department

11 In 2006, it was the Transition Promotion Unit of MFA, before the unit was merged into H RTP.

12 To date, the Commission has never approved a project proposal where there were different recommendations from H RTP, territorial departments and embassies.

13 There was not a regular internal round.

14 All these projects proposed activities in Georgia, and the MFA asked applicants to prepare a joint project that would be supported from the Transition Promotion programme.

15 Taken from Transition Promotion programme concept

16 Ibid.

17 Although in 2005 only CZK 8.5m (€ 285,000) were spent. The unused funds were moved into the reserve fund of the MFA that can be used only with the government's authorisation. The government agreed with the use of part of this reserve in 2007.

18 This table shows the distribution of funds according to target countries, allocated in each year, and includes neither allocations for multi-annual projects approved in previous years nor funds for projects where there is no specific target country, e.g. scholarships for students from all priority countries at CERGE-EI (Center for Economic Research and Graduate Education - Economics Institute).

19 Original data in USD. Annual average exchange rate USD/EUR: 1.061 (2002), 0.885 (2003), 0.805 (2004), 0.804 (2005), 0.797 (2006)

20 More detailed information in section, *Other Sources of Czech Democracy Assistance Funding*

21 Only occasional consultations were held between H RTP and the Czech-UNDP Trust Fund in recent years.

22 Two of these projects have been implemented in both countries.

23 with the exception of EDUCON Prague, which has been implementing knowledge-transfer projects financed by the Czech-UNDP Trust Fund since 2000.

24 The final members upon registration in the summer of 2008 were: People in Need, EUROPEUM Institute for European Policy, PASOS (Policy Association for an Open Society), Association for International Affairs (AMO), Transitions Online, Civic Belarus, Forum 2000 Foundation, Agora Central Europe, Democracy and Culture Studies Centre, Yes for Europe, Respekt Institute.

Hungarian Minorities, the Balkans ... and the Far East

Hungary's Democracy Assistance Policies and Priorities

Áron Horváth

Center for Policy Studies at the Central European University, Hungary

As of summer 2008, Hungary does not have a strategic document outlining the definition, mechanisms, priorities and options of the government in terms of democracy assistance, although it is a field of action underlined in Hungary's Foreign Relations Strategy. However, there is a clear commitment to co-ordinate democracy activities within the international development co-operation (IDC) policy field: an institutional framework, a Democracy Workgroup, exists within the Ministry of Foreign Affairs (MFA) to discuss and decide on democracy assistance projects, but it remains a loose organisational entity. There is also a separate appropriation for democracy assistance within the MFA budget, but this does not cover all Hungarian democracy assistance projects, and has not been handled to date in a very transparent manner.

Without a coherent policy strategy, democracy assistance can be preliminarily conceptualised as a category of activities that fall under the Euro-Atlantic¹ commitments of Hungary. In 2007, democracy assistance was not a sub-category of IDC policy, but as the government is planning to move towards a formal definition of democracy assistance activities, it has since been assigned a distinct category under the scope of the Department for International Development Co-operation (DIDC). This change has not as yet resulted in any departure from the principle laid out in July 2007 by Gabriella Kereszty, former Department Head of the Secretariat of the State Secretary for Multilateral Diplomacy - and confirmed in interviews conducted with MFA officials - according to which Hungary embarks on democracy assistance activities in places where the target country is receptive to these initiatives.

Thus, in general, Hungary has a preference for good working and diplomatic relations with the recipient countries: it implements democracy assistance programmes or projects in a safe environment, with the full support of the host government entities, in places where it has knowledge of the local social and governmental environment. Nevertheless, by summer 2008, signs had emerged that Hungarian democracy assistance is also embarking on a more assertive and less co-operative approach, characterised for instance by its

policies towards Cuba, where Hungary would like to contribute to a slow and peaceful regime change.²

In terms of capacity, Hungary is a minor player in the international donor arena. This status, and the fact that there is strong competition for external funds between the new EU member states in general and the Visegrad Four countries (V4) in particular, drives MFA officials to conceive innovative ideas that do not necessarily require large funds, but are visible actions that will gain recognition from other donor countries. More significant impact, however, can often be achieved through partnerships with more experienced and wealthier donor countries or organisations, which can also add to Hungary's experience and prestige in the international arena and vis-à-vis its regional competitors.

Regarding the substance of democracy assistance, Hungary has no clearly defined set of democracy assistance instruments or tools, but rather helps with issues where it has experience, which embraces basically the entirety of democratic transition, especially institution-building and good governance.

POLICY RECOMMENDATIONS FOR THE HUNGARIAN GOVERNMENT

Priorities

Draft a concept of democracy assistance including, but not limited to:

- institutional framework
- existing programmes categorised as democracy assistance
- priorities (thematic, geographic)
- financial instruments available
- relations with NGOs.

Thematic and geographic priorities

- Decide and focus on the activities where Hungary can provide real added value: e.g. governmental human rights dialogue or education in countries where democratic transition of some kind is imminent; reconstruction of institutions in war-torn countries; fostering democratic transition through a bottom-up process in undemocratic countries

- Continue with same priority countries in the long run (as much as possible)
- Since Hungary is a minor player in democracy assistance, co-operation with other partners with similar transition/historical backgrounds can multiply its achievements: it would be advisable to create platforms where competing new EU member states could also co-operate on certain issues or single projects (similarly to the regional partnership framework - V4 plus Slovenia and Austria)
- Engage more in democracy assistance in Belarus, building on the International Centre for Democratic Transition's current capacity-building of NGOs in Belarus - initially by involving some Hungarian NGOs in common projects with other V4 partners focusing on Belarus, and as a second stage the involvement of the Hungarian government. There is space for the involvement of Hungarian NGOs in the support of small and medium-sized

enterprises in Belarus, in local and community initiatives, capacity-building of NGOs, and in the support of independent publishing activities.

Implementation

- Design the new IDC project database in a way that will allow filtering of democracy assistance projects and data
- Expand improving non-governmental development organisations (NGDO) relations framework to democracy assistance NGOs as well, e.g. by creating a joint Democracy Workgroup and democracy assistance NGO forum as a start, and progressively creating linkages to foreign service missions in order to conceive meaningful projects
- Pay more attention and financial means to NGO capacity-building if unsatisfied with the current situation and the lack of expertise of NGOs
- In the case of a democracy assistance grant-making scheme, improve granting procedures to Hungarian NGOs, in order to respond to their needs:
 - Allow for NGO accreditation vis-à-vis the MFA to ease the burden of having to provide extensive (and expensive) proof of the organisations' administrative background with each application. This would accelerate public procurement processes in a transparent manner.
 - Organise tenders for capacity-building of NGOs, which is still needed in Hungary today
 - Provide matching grants to NGOs, to be used for co-financing projects funded by other donors
- Grant-making through embassies: organise this instrument better to avoid *ad hoc* grant-making:
 - Communicate plans for the future on this instrument: will it be scaled up, or will it remain as limited and pilot-like as it is today?
 - Make clear how Hungarian NGOs can benefit from the present and future mechanism, or if there is a role for them at all within this framework
 - If the lack of funds is the obstacle to better V4 donor co-ordination, coherence and complementarity, then at least make clear how much money will be available in the medium-term perspective for embassy grant-making
 - Educate officers in the foreign service on Hungarian democracy assistance policy if project proposal and implementation tasks are expected from them
 - Fund target-country NGO operations and local capacity-building/training capacity, not only projects, by providing larger grants, perhaps through co-operation with other V4 embassies
 - If possible, ease the bureaucratic burden of decision-making by shortening the time-lag between application and signing grant agreements and delegating more responsibility from MFA to embassies for approval of grants and for reporting lines, or by delegating and training responsible and government strategy-aligned local granting specialists entrusted with the direct allocation of funds
 - Include matching grants in the grant portfolio - to let NGOs co-finance larger projects through other international sources (EIDHR, etc.)

Transparency

- Communicate the democracy assistance concept through the MFA website and other channels
- Refurbish the IDC section on the MFA website, and allocate a sub-section for democracy assistance
- Include a budget line for the communication of results in each democracy assistance (and likewise IDC) project, and elaborate a long-term communications plan to reach the public, gradually starting from professional audience and moving gradually towards lay public
- Engage in discussion with stakeholders from other sectors (civil, private, international) in order to formulate and/or implement the Hungarian democracy assistance concept - similarly to the Department for International Organisations and Human Rights (IOHR). This should not be difficult, since there are only a few players.
- Report on annual democracy assistance activities and financing within or separately from IDC, in line with the concept
- Leave more time for the assessment of the previous year's results, by approximating Hungarian reporting to the reporting schedule of the OECD (which asks for the

reports to be sent later within the year as opposed to the practice of the MFA where the IDC report is due in the first quarter of the next year)

- Establish a grant-making instrument for democracy assistance separately from or within the annual IDC NGO tender and/or from the Promotion of Democratic Transition appropriation
- Communicate financing intentions - as opposed to exact numbers - envisaged for at least two years ahead to allow recipients or grantees to anticipate the government's help in line with its available resources.

POLICY RECOMMENDATIONS FOR HUNGARIAN NGOS

- Concentrate on finding partners and funding for longer-term projects for which the government could contribute with co-financing grants
- Follow up projects better on the ground, try to avoid the short project-cycle approach often resulting from granting requirements
- Conduct better, more in-depth research into what the local needs are in order to avoid the duplication of already existing mechanisms.

History of Democracy Assistance

Following its own democratic regime change in 1989, Hungary adopted a certain democracy assistance and stabilisation role in the region of Central and Eastern Europe, which

was evident in the number of international organisations that set up regional centres in the country. Budapest continues to serve as a regional hub for such organisations to the present day³. In the beginning, this was due to its status as a model country among the transition countries of Central and Eastern Europe, and nowadays the growing number of private sector investments, combined with the presence of international organisations, the quality of services and networking opportunities create an attractive location. The earlier stabilisation role was important for the Hungarian minorities living outside Hungary's borders and also for political and economic reasons.

With the advent of the 21st century, the scope of such activities enlarged with Hungary's accession to membership of NATO (1999) and the EU (2004) - and the expansion of these organisations' respective scopes. As a consequence, Hungary's stance towards democracy assistance changed from regional stability to thinking about how to "sell" the transition experience to a wider audience, taking into consideration the strengths and limitations of Hungary in democracy assistance. The International Centre for Democratic Transition (ICDT) was conceived in 2004 and established in the second half of 2005, and only subsequently did the MFA start thinking about a more systematic approach to democracy assistance. In 2007, the MFA set up the Democracy Workgroup, and the rule of law, security, democracy and sustainable development became the third set of strategic directions set forth in the Hungarian Foreign Relations Strategy, adopted by Parliament in March 2008. At the time of writing, the formulation of a distinct democracy assistance strategy had been set for the final quarter of 2008.

Organisational Structure of Democracy Assistance

Democracy assistance activities are co-ordinated by an interdepartmental workgroup within the MFA, the Democracy Workgroup. The Democracy Workgroup was called to life in 2007, and started to function formally in 2008. The member departments are:

- Department of International Organisations and Human Rights
- Second Department of Europe (covering South-Eastern and Eastern Europe, the Western Balkans, and some parts of Eurasia)
- Department for Africa and the Middle East
- Department for the Americas
- Strategic Policy Planning and Information Department
- Department for International Development Co-operation

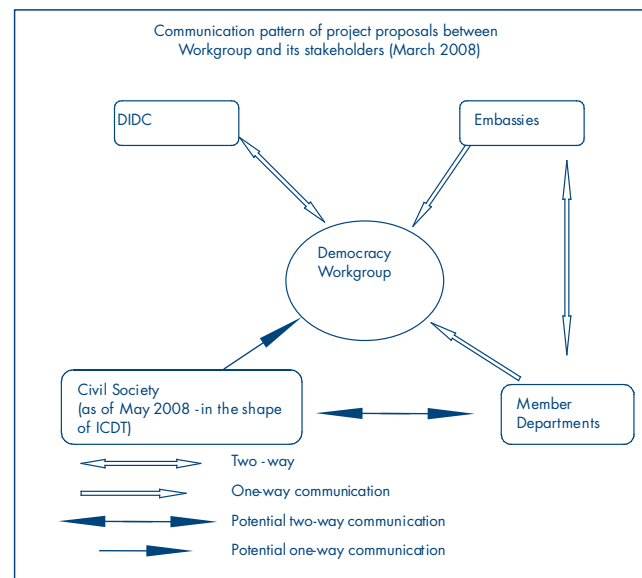
The tasks of the Workgroup are to set the strategic direction of democracy assistance, to decide on the democracy assistance projects to be financed from the Democracy Appropriation, to co-ordinate between the different departments, and to organise external

communications. The head of the department is the State Secretary for Bilateral Relations with Extra-European Countries, International Development, Economic and Scientific Co-operation - currently László Várkonyi. Nevertheless, the Workgroup is more a co-ordinating body than an institution directing democracy assistance.

Selection of democracy assistance projects

The Workgroup receives project proposals from embassies, civil society (thus far mainly from ICDT), and other institutions (e.g. HUN-IDA, DIDC's contracted implementing agency). Although the Workgroup is the forum where project proposals are discussed and decisions are taken as to which projects will be funded from the Promotion of Democratic Transition Appropriation, the member departments, especially DIDC, have a very strong influence on the final decision. Given their implementer role, they are the ones to decide whether a particular project is in line with their strategy or not, while the Workgroup ensures the projects' compatibility with the (to date non-explicit) democracy assistance strategy. Despite its interdepartmental setup, the Workgroup operates under the auspices of the DIDC: the head of the department has a major influence on the selection of projects, the Democracy Appropriation is from this perspective an integral part of the IDC Appropriation, although a separate budget line, and the office of the Workgroup's secretary is located in this department.

The network of the Workgroup can be depicted as follows:



External communications on democracy assistance

In general, external communications funds are very limited, and are centralised at the ministerial level. There is a fund tendered out to civil society amounting to HUF 20m (€ 80,000), of which democracy assistance could become one thematic element. The general public knows little about democracy assistance in general, so communications - especially with such limited capacities - have a low news factor.

Planned communications about Hungary's democracy assistance strategy are directed towards political and professional audiences through the means of ministerial speeches and the publication of policy documents (e.g. the Foreign Relations Strategy in March 2008).

NGO involvement

As of May 2008, besides ICDT, there is practically no NGO involvement in democracy assistance activities. Consultations are scarce, but the democracy Workgroup does intend to engage the civil society sector in the future, and consultation with NGOs in the framework of IDC improved significantly through June 2008 (see *Relations with NGOs* below).

Department for International Development Co-operation (DIDC)

The head of DIDC emphasized at a PASOS roundtable organised in Budapest⁴ in May 2008 that Hungarian international development co-operation (IDC) activities (started in 2003-2004) are as a whole still in a learning phase, which is particularly true about democracy assistance. Since the IDC and democracy assistance fields are so interlinked, it is worth taking a glimpse at how DIDC operates, and the capacities it has acquired since Hungary launched its donor activities.

In the 1990s, decentralised and *ad hoc* IDC activity was mainly funnelled through multi-lateral organisations (*IDC Concept*, 2001), until in 2001 the *IDC Concept* created a strategic direction aligning Hungarian IDC to the international donor community's principles and practices - most importantly to those of the UN and the EU - since such convergence was an element of the *acquis communautaire* that Hungary had to adopt to secure membership of the EU - and also to the guidelines of the OECD's Development Assistance Committee, the most important soft co-ordinator of global IDC activities and trends.

According to the concept, as an element of political and economic foreign affairs activities, IDC concentrates on promoting Euro-Atlantic integration, on fostering regional stability, and on supporting national interests. The document asserts, similarly to the focus cited above concerning democracy assistance, that Hungary has to concentrate its efforts in fields where it has experience and skills to leverage.

The fields listed directly relevant to democracy assistance are:

- the transfer of Hungarian experience pertaining to democratic transition
- intellectual capital, knowledge-based assistance
- education (graduate and post-graduate), expert and technical expert education, curriculum development, distant learning.

Although these democracy assistance fields are central to the conceptual framework of the IDC, according to an official working at the DIDC, in 2001 no democracy block was explicitly formed; it was rather included in the overall national approach towards international development - similarly to the EU's approach.

The IDC strategy published in 2003 identifies the MFA as the elaborator of the IDC policy and the cross-ministerial co-ordinator of planning and implementation. On 1 October 2002, DIDC came into being, and put in place the organisational background of Hungarian IDC, including democracy assistance activities.

Organisational structure of DIDC

The tasks and target countries for DIDC's work are defined by the Cross-Ministerial Committee (*Tárcaközi Bizottság*), over which the Minister of Foreign Affairs presides. The Cross-Ministerial Expert Workgroup (*Tárcaközi Szakértői Munkacsoport*), made up of the relevant ministries' department heads responsible for international relations, provides the basis of DIDC's mandate, since this is the main co-ordination body of each ministry's international development activities (and as such does not substitute for the funds and the activities of the line ministries). The IDC Work Committee (*Munkabizottság*) handles the budget appropriation devoted to IDC projects, ensures that the projects are in line with the above-mentioned strategic directions, and follows up on the status of these projects. The Social Advisory Body (*Társadalmi Tanácsadó Testület*) is the IDC activities' evaluative and consultative body, which also has a mandate to raise social awareness for the activities.

Hungarian IDC is also supported by an Implementing Agency, which is contracted for a monthly fee by DIDC to organise, carry out, monitor, and evaluate NGO tenders issued by the government, but does not give grants. Since the onset of IDC activities, this agency has been HUN-IDA Kht., a public non-profit company, which also carries out IDC projects of its own financed from the MFA's IDC appropriation.

Institutional capacity-building

Strangely enough, the institutional and organisational background was not induced by EU institutions as might have been expected in the context of Hungary's EU accession procedure. Instead, Hungarian IDC capacities were developed based on the support of other countries and institutional players. The two most decisive aid programmes promoting

Hungarian IDC capacity-building were that of the Canadian International Development Agency's (CIDA) ODACE (Official Development Assistance in Central Europe) programme from 2002-2004, targeting all the Visegrad Four countries; and that of the UNDP, overseen by the Bratislava regional office in the same time period. More recently, a conference and workshop funded by the MATRA Flex Programme at the end of 2007, and the Finnish Development Agency's six-month capacity-building programme, ending in July 2007, financed by the EU's "Twinning light" programme, made up for this European hiatus. Bilateral study tours have also served as important exchanges shaping Hungarian IDC, namely those organised to Ireland, Austria, Finland, Germany and Sweden, while the Danish government helped in building the fieldwork capacities of Hungarian embassies.

In parallel to the capacity-building programmes, shared funds were set between the MFA and different partners, which either served as a practice in setting up and managing development projects, or amounted already to actual IDC activity. One component of the ODACE programme co-financed each year some civil society projects selected by CIDA. The Regional Partnership Programme, run by the Austrian Development Agency (ADA), financed pilot projects in development. The funds aimed at the new EU member states and cost-sharing occurred between ADA (67%), the government of the respective new member state (23%), and the implementer - mostly NGOs (10%). Three annual calls for applications were issued between 2005-07. UNDP has also run a trust fund with the MFA since 2004, which targets the Western Balkans. Initially, US\$ 1 m (HUF 220m) were allocated to this fund and, at the time of writing, there were plans to renew this financial arrangement, but it was uncertain how much money would be available.

Relations with NGOs

According to the IDC strategy and annual reports since 2003-04, the civil sector and the private sector are also involved in the orientation and implementation of IDC policy. The Hungarian Association of NGOs for Development and Humanitarian Aid (HAND) has held consultations with the MFA since the beginning of the donor activities in 2003. A 2006 DIDC report asserts that "civil organisations are important actors in the implementation of the international development and humanitarian aid policy. Their representatives took part in the elaboration of [Hungary's] IDC policy as members of the Social Advisory Body, and as implementers in its execution." (*IDC report 2006*). In May 2008, the MFA approved the "Sector-Specific Civil Action Plan of the MFA (2008-2009)", while bi-monthly consultations between HAND and DIDC became exemplary within the ministry.

ICDT's structure and relevance

In August 2005, the government founded the Centre for Democracy Public Foundation (CDPF), a quasi-governmental NGO with a mandate to "collect, synthesize and dispatch the experiences of democratic transition without geographic limits". It is an organisation endorsed by all the Hungarian parliamentary political parties, which are represented

on the board of trustees headed by an independent intellectual, Elemér Hankiss - a rare field of consensus between the Hungarian government and opposition. ICDDT is CDPF's independent institute, and in this manner it is neither directly owned by, nor founded by, the government, which keeps it - at least symbolically - further from the latter's control. This is important to ensure its autonomous status and image, both of which - according to government sources - are taken seriously by the MFA, since this is a prerequisite for the organisation to be able to raise funds from international donors wary of supporting government entities.

The operations of the institute are financed by the Hungarian government, but most of the projects are financed by external donors. The fact that ICDDT receives operational support from the government clearly distinguishes it from other NGOs, as this is an exceptional practice. This support can seem puzzling when the head of the organisation is explicitly distancing its activities from governmental interference. Probably, this situation can be attributed more to the personal charisma and fundraising skills of the CEO and President of the centre than to a government democracy assistance strategy.

Since its foundation, ICDDT has been the face of Hungarian democracy assistance towards the outside world. This face is indeed very visible, as the institute's international board consists of 25 highly acclaimed ex-government officials, with names such as former US Secretary of State Madeleine Albright or three former US Ambassadors to Hungary.

Hungarian democracy assistance activities did exist before 2005, but these were neither explicit nor publicised to a wider local and international audience. ICDDT represented an opening towards the outside world in terms of this activity. Its foundation was announced at the April 2005 Chile Conference of the Community of Democracies.

However, ICDDT is not the sole implementer of governmental democracy assistance, and the MFA does not want to portray it as such, but it is one with a very special status. How special the relationship is between the MFA and the institute is reflected in their mutual-help regime: the MFA gives the centre access to its international partners, while the ICDDT is always exchanging views and experiences with Hungary's missions abroad. This close co-operation between the centre and the MFA results in the ICDDT being somehow also an actor of Hungarian diplomacy.

According to the MFA, the two entities' relationship is a synergy that advances the interests of both. Moreover, the ICDDT itself also works in partnership with other NGOs or experts, because it does not have the capacity to solve everything by itself. Thus, in this manner, it has a multiplier effect.

Contrary to DIDC, which publishes tenders for funds to be spent directly by NGOs, democracy assistance executed by some of the MFA's other organisational entities is channelled through public foundations. This is the case of ICDDT, which partners or with, or even

outsources some of its projects to, other organisations or experts. ICDDT has full discretion in choosing its partners. It has several strategic partners such as the United Nations Democracy Fund (UNDEF) and Freedom House. It also embarks on so-called "expert seconding", which entails finding experts for certain tasks or problems. According to its annual report for 2005, for instance, ICDDT was working on establishing connections with various knowledge networks.

ICDDT also has to organise tenders when making grants, depending on the value of the activities outsourced.

NGOs or research institutes with whom ICDDT has worked include:

- Organisation Marocaine des Droits Humains
- European Movement in Serbia
- Association of Central and Eastern European Election Officials (ACEEEO)
- Balkan Trust for Democracy
- Slovak Foreign Policy Association (SFPA).

Consultancies with whom ICDDT has partnered include:

- Political Capital
- European Center for Not-for-Profit Law.

The same is the case with Hungary's two larger regional assistance programmes: the Nyíregyháza Initiative, which has the objective of assisting Ukraine in its EU integration work through training of experts, conferences and knowledge transfer; and the Szeged Process, which provides assistance to the countries of South-Eastern Europe, principally Serbia, to bring about their integration into the Euro-Atlantic sphere of influence. Both programmes have separate, dedicated public foundations that carry out projects of their own and issue calls for applications to NGOs and local institutions in the target countries and Hungary.

Target Countries

Similarly to the organisational and institutional backgrounds, the Hungarian IDC strategy and the forthcoming democracy assistance strategy focus on overlapping target countries, although there are identifiable differences, and target countries can change priority status from one year to another.

International Development Co-operation

Hungary's IDC has 16 target countries, each with different priority status that determines the funds dedicated to each country. As of 2007, the priority regions were as follows⁵:

- Strategic partners: Serbia and Montenegro, Bosnia and Herzegovina, Vietnam
- Other partner countries: Macedonia, Moldova, Mongolia, Kyrgyzstan, Ukraine, Palestine Authority
- Least developed countries (LDCs): Ethiopia, Yemen, Cambodia, Laos
- International commitments: Afghanistan, Iraq

China was removed from the list of target countries in 2006, a step justified by its high rate of economic growth and the minuscule contribution Hungary could add to that.

Democracy assistance

The selection of the target countries of Hungary's democracy assistance policies builds on the IDC areas of interest with some additional criteria: the country in question has to be before or in the process of democratic transition; the country has to fall within the (geographical or political) areas of interest of the Hungarian government; Hungary has to have good knowledge of the local political and social landscape, and/or the involvement of Hungary in the given country should be positively recognised by its partners in diplomatic terms.

Judging from the programmes underway in the field of democracy assistance, it would seem that the likely target countries of democracy assistance would be: Serbia and Montenegro (Szeged Process), Ukraine (Nyíregyháza Initiative), Moldova, Vietnam and also China in the light of the continuing Human Rights dialogue process in effect with Hungary since 2000.

However, the MFA communicated the following countries as the ones targeted by democracy assistance as of May 2008:

- Within the European Neighbourhood Policy (ENP) and other regional commitments: Serbia, Belarus, Moldova, and Albania;
- Related to IDC policy and international commitments: Cuba, Palestine Authority, and North Korea.

These target countries are not set in stone in the forthcoming democracy assistance strategy of Hungary, but are rather handled as a continuously evolving set of countries. This explains why the current issue of target countries is still a little bit fuzzy and will, it is to be hoped, be settled at least on an annual basis, starting from the publication of the first democracy assistance strategy.

Contrary to the official position on Cuba back in 2007, in May 2008 the democratisation of Cuba was placed officially on the map of Hungarian democracy assistance, even if progress is envisaged in a slow and peaceful manner due to financial constraints, the relevant experience of Hungary in the field of such regime change, and the tactful

style of Hungary's democracy assistance as set out in the introduction. Cuban activities are also an important factor in improving Hungarian-US bilateral relations. Furthermore, Hungary has a relatively long history of relations with Cuba - with thousands of college and university graduates living there who once studied in Hungary. The current Minister of Foreign Affairs, Kinga Göncz, is also keen on seeing more co-operation on this front, if the opportunity arises, i.e. in Hungarian parlance if the Cuban authorities become more receptive to such initiatives.

Projects and Programmes

The following comprise the activities conducted so far by or through the MFA in the field of democracy assistance:

- the projects of DIDC pertaining to this category
- the Nyíregyháza Initiative and the Szeged Process
- ICDT's projects
- the contribution made to, and the work executed in, international organisations and mechanisms linked to democracy and human rights.

Interviews revealed that it is a matter of debate within the MFA what exactly belongs under democracy assistance, which is a normal phenomenon when a clearly set strategy is lacking, and intradepartmental co-operation in the field is still in its early stages. From this perspective, it is understandable that Hungary's democracy assistance is in a learning phase.

Information on projects was difficult to collect, since the DIDC section on the MFA's website is disorganised and the project selection information provided in July 2007 omits many of the dates of project approval and implementation. This situation may improve with the introduction of a new electronic database anticipated for November 2007, albeit later postponed until autumn 2008.

DIDC projects with democracy assistance content

The annual IDC appropriation does not make a distinction for democracy assistance projects, nor do any of the written reports consulted by the author. Nevertheless, there are projects that can be categorised directly or indirectly as democracy assistance in a selection, but not in the case of all the target countries listed above.

The implementers of IDC projects vary. DIDC implements projects through its Implementing Agency and by tendering out grants to NGOs.

HUN-IDA Kht. is the official Implementing Agency of DIDC, and has been selected as such in two consecutive calls for applications in 2004 and 2006. The fairness of these tenders and the expertise of the agency were contested in a 2007 article appearing in *Magyar Narancs*, a weekly with low circulation. HUN-IDA Kht. denies the allegations. The breakdown of projects implemented by HUN-IDA Kht. through the 2004-2006 period was unavailable.

The IDC appropriation also covers international development projects implemented by other line ministries. The projects selected for their democracy assistance content from the ones published on the DIDC's website (only 2004 and 2005 projects were available) are listed here (table on the right).

HUN-IDA Kht., as the implementing agency of DIDC, is also responsible for the evaluation of NGO projects besides the ones it executes itself. The evaluation of the NGOs is based on reports issued by the grantee organisations, but the projects are not directly evaluated by the agency, i.e. more in-depth evaluation on the ground is currently lacking, although the director of HUN-IDA Kht. affirmed that it will be introduced at a later stage.

Detailed project evaluations were not available, but the DIDC report of 2004 and 2005 included the following paragraph: "DIDC is continually evaluating the reports and monitoring assessments coming in from the implementers and embassies. The execution of the projects by the implementers is in general satisfactory, but some organisational, technical and cost-effectiveness problems do occur."

The Nyíregyháza Initiative

The programme was launched in 2003, as an element of the Hungarian contribution to the ENP. Its objective is to advance Ukraine's regional and EU integration by strengthening local civil society, human resources, public administration effectiveness, and local expertise through education and informational projects (e.g. conferences). In so doing, it deepens the cross-border co-operation of civil society and local public administration, and - starting from 2008 - the integration of Roma minorities is also a focus of the programme.

The governmental funds are administered by the EuroClip Public Foundation, founded by the General Assembly of the City of Nyíregyháza and the General Assembly of Szabolcs-Szatmár-Bereg County, and funded by the MFA from its Implementation of East- and South-East Europe Governmental Strategy appropriation. To date, more than 300 projects have been completed.

| Democracy Assistance Projects (based on IDC Report) | |
|---|------------------|
| 2004 | € |
| Training of Palestinian election experts: Ministry of Internal Affairs International Training Centre (MIATTC) | 70,000 |
| Training of Afghan police: MIATTC | 360,000 |
| Training of Iraqi police in Jordan: MIATTC | 269,100 |
| Development and strengthening of civil society in Bosnia and Herzegovina: DemNet | 28,000 |
| Financial contribution to organisation of elections in Georgia: OSCE | 40,000 |
| Study trip of Chinese lawyers in the framework of human rights conversation: HUN-IDA Kht. | 4,000 |
| Visit of Vietnamese delegation to study governmental subsidy system for SMEs: HUN-IDA Kht. | 32,000 |
| Chinese experts' study tour to the Office of Hungarian Assembly's Ombudsman: Office of Hungarian Assembly's Ombudsman | 2,360 |
| Vietnamese national assembly delegation study tour to Hungarian Parliament: HUN-IDA Kht. | 29,600 |
| Visit of Bosnian government delegation on Roma issues: Prime Minister's Office | 935 |
| Contribution to the Law and Order Trust Fund (LOFTA) in Afghanistan: UNDP | 100,000 |
| SUBTOTAL | 935,995 |
| 2005 | € |
| Support for Iraqi elections | 52,000 |
| Strengthening Serbian central government co-ordination: UNDP Trust Fund | 32,000 |
| Capacity building of local government in Serbia and Bosnia and Herzegovina: UNDP Trust Fund | 120,000 |
| Strengthening of internal governmental co-ordination mechanisms in Serbia: UNDP Trust Fund | 216,000 |
| Strengthening regional government of Vojvodina, Serbia - preparation of project: UNDP Trust Fund | 3,440 |
| Expansion of market access for women entrepreneurs in Vojvodina, Serbia: UNDP Trust Fund | 16,000 |
| Reception of Vietnamese delegation to study local government election system: HUN-IDA Kht. | 32,000 |
| Training for Iraqi public administration experts: Perfekt Gazdasági Tanácsadó Rt. | 50,000 |
| Continuation of Palestinian election capacity-building programme: Ministry of Internal Affairs | 60,000 |
| Training of Chinese justice experts at Constitutional Court: HUN-IDA Kht. | 12,000 |
| Course on EU integration for Balkans countries: IOM | 26,400 |
| Continuation of Iraqi police training: Ministry of Internal Affairs | 100,000 |
| Support for Iraqi elections: Ministry of Internal Affairs | 52,000 |
| SUBTOTAL | 771,840 |
| TOTAL | 1,707,835 |

Without any project breakdown available for the 2004-2006 period, the financial reports of the organisation reveal the cumulative sums spent on projects that - apart from a few exceptions - can be categorised as democracy assistance, judging from the orientation of the initiative. These are:

| Year | 2004 | 2005 | 2006 |
|--------------------------|--------|---------|---------|
| Project disbursement (€) | 39,020 | 357,440 | 245,127 |

The public foundation evaluates the projects it generates by itself or through tendering and sends the reports to the MFA for review.

The Szeged Process

The programme was launched in 1999, and its objective is to foster the Euro-Atlantic integration of South-Eastern European countries, especially Serbia, where a significant Hungarian minority lives. The Szeged Process has become larger in recent years in line with Hungary's emerging donor status in IDC and the launch of the Budapest Forum. The enlarged programme's new focus is the promotion of European integration through the strengthening of local authorities, and regional, cross-border co-operation.

The programme has three pillars:

- Projects implemented with the mediation of the Opportunity for Stability Public Foundation (*Esély a Stabilitásra Közalapítvány*), which distributes MFA funds through tenders to NGOs for area development, intercultural communications, and community development in the region, especially in Serbia
- Projects implemented from the IDC appropriation and handled by DIDC
- Budapest Forum: established in 2005 on Hungarian initiative at the Regional Partnership - Western Balkans meeting of foreign ministers. The forum is to assist the democratisation of the Western Balkans region by transferring the knowledge and experience of the member countries to those going through transition - in six working groups headed by each of the partnership member states. The members are the V4 countries, Austria, and Slovenia. Hungary handles the Internal Affairs and Justice Co-operation chapter under the joint co-ordination of the MFA and the Ministry of Justice and Law Enforcement, and financed by the latter.

International Centre for Democratic Transition

Although ICDT was established as an independent institute disseminating Hungary's know-how about democratic transition, and the MFA asserts that it does not interfere with

its project decisions, the organisation's operations and some of its projects are funded by the government, which makes it necessary to include it in the governmental framework of democracy assistance.

ICDT was founded in 2005 and is very active in planning and implementing democracy assistance projects. Besides the MFA, it has 17 donors, who fund different projects. The organisation proclaims itself global in scope, and is accordingly looking for projects all over the world.

The organisation consists of an international board, executive committee, and governmental advisory board. Separate organisational and operational policies govern the functions and mandate of these bodies.

The fields of action of the organisation are summed up in one of their memoranda written to the MFA as follows:

- to assist the transition process, based on the relevant experience in the given field and internationally accepted best practices
- to address and involve indigenous stakeholders in the process of democratic transition
- to elaborate toolkits for flexible application of appropriate models for the creation and solidification of democratic institutions
- to strengthen cross-cultural and cross-regional dialogue.

After conferences, trainings and workshops, immediate feedback is sought from the participants, while follow-up monitoring is also available. In the case of the Belarus capacity-building project, the follow-up is a continual dialogue with the organisations in order to find funds for the local NGOs' work, which would then again be evaluated.

Department of International Organisations and Human Rights (IOHR)

The department's activity is included because it is the representative of the MFA in UN- and EU-based human rights bodies and forums, which - according to the head of the department - is often one way to keep a foot in the door for some kind of democratic activity to start at a later stage.

In 2008, the department's activities were expanded and, more importantly, moulded into a Human Rights concept, which makes this particular section of democracy assistance one of its most active and innovative components in terms of low-budget advocacy and NGO involvement. This experience could serve as a model for democracy assistance policy in general.

Hungarian Human Rights Concept Paper

A new Human Rights section was set up within IOHR in 2008. The human rights concept paper, drafted by this group, builds on the existing priorities and formulates new fields of action, where Hungary could contribute to democratisation in third countries through human rights issues. The paper emphasizes that a major challenge is to make Hungarian human rights policy more visible, in addition to the challenge of expanding its scope. It also asserts that both of these objectives require an increase in financing and human resources.

Current human rights priorities

a) Human rights policy dialogue

Hungary has a special relationship with China on human rights issues. China has seen Hungary as a good example of democratic transition since the 1968 economic reforms of the then socialist regime in Hungary. In April 2000, a Human Rights dialogue was launched in Beijing between Hungary and China, on the request of the latter. A second round took place the following year in 2001, a third in 2004, and subsequent rounds in 2005 and in August 2007. The Hungarian contribution to the dialogue was to present the evolution and functioning of key democratic institutions, such as the Constitutional Court or the Ombudsman's Office.

Hungary is the only country in the region to be conducting such bilateral exchanges with China, while in the EU it is one of the five countries in attendance at the sessions with China formerly known as the Bern Process.

The same human rights dialogue developed with China has been initiated with Vietnam, which is also an important target country for Hungary's IDC. The first round of talks with Vietnam is scheduled for 2009.

b) Relations with international organisations

Hungary is handling two resolutions within the UN Human Rights Council: one related to the independence of the judiciary and another dealing with the protection of human rights defenders co-operating with UN human rights bodies.

Besides supporting UNDEF with an annual US\$ 25,000, IOHR is also planning to contribute GBP 10,000 to the Minority Rights Group in 2008, which intends to establish a position in Geneva to lobby the international community to keep minority rights issues on the agenda. It is also noteworthy that the first international visit of Gay McDougal, the UN's Independent Expert on minority issues, was to Hungary, concentrating primarily on Roma issues.

c) Intergovernmental co-operation on minority issues

Hungary played a major role in the 2005 resurrection of the minority expert group within the Council of Europe (DH-MIN). Currently, a Hungarian expert is presiding over the working group, and the concept underlines Hungary's interest in ensuring the group's sustainability, which may require additional financial resources.

Proposed future fields of action

- Active involvement in the work of the UN Minority Forum (set up on 8 September 2007) by delegation of a Hungarian expert to the list of experts, who may take on the presidency role of the forum.
- Concrete steps towards the implementation of Human Rights Mainstreaming in line with the EU's Guidelines on Human Rights Dialogues (2001) within the MFA (cross-departmental workgroup) and foreign service (human rights training for heads of missions to improve reporting towards the EU).
- Establishment of a governmental Human Rights Commission to co-ordinate the drafting of reports and relations with Hungarian human rights NGOs and experts in an institutional format.

Proposed priorities of Hungarian human rights policy

- Establish representation of Roma minority integration issue within the EU (international and domestic negotiations are underway)
- Greater involvement in the work of the EU European Council's working party on human rights (COHOM), especially in the taskforce dealing with human rights defenders
- Make use of Hungarian good practices in the field of institutionalised freedom of information and protection of personal data; draw together Hungarian governmental and non-governmental experts for international advocacy (forthcoming Council of Europe convention, OSCE, EU).

Relations with NGOs

The IOHR set up a working group of NGOs dealing with human rights and ministry representatives in April 2008, which was initiated at the ministerial level. Among others, HAND, Freedom House, Amnesty International and the Hungarian Civil Liberties Union are members of this group.

Financing

The Human Rights section of the department has no separate budget, and it is financed from the Promotion of Democratic Transition appropriation.

Relations with NGOs

Since democracy assistance does not yet exist as a separate international affairs policy area in Hungary, institutional relations with NGOs could not be assessed within the framework of this research. However, it is worth taking a look at how the relations of non-governmental development organisations (NGDOs) and DIDC evolved through the span of one year. This is an important precedent for democracy assistance for two reasons: currently, democracy assistance is subsumed institutionally under DIDC, and the experience indicates that if civil sector relations are high on the list of priorities, a great deal can be achieved in a short space of time.

Issues of contention

At the beginning of this research in the summer of 2007, HAND, the Hungarian NGDO association, had a list of complaints towards the MFA in general and DIDC in particular. These were as follows:

Involvement of NGOs was not real, but superficial

- In the last five years, bilateral consultations with the NGDO platform were not regular, but haphazard. An initiative was launched in 2004 in order to bring the NGOs and DIDC closer to each other and allow for real strategic co-operation. After the initial positive outcome of talks between DIDC and HAND (detailed in HAND's public benefit report of 2004) concerning the acceptance of certain recommendations by the MFA, in 2007 most of the points requested in the document were not solved.
- The only forum where the NGOs could express their comments and recommendations pertaining to IDC activities was the Social Advisory Body (TTT) of DIDC, which HAND considers a weak institution lacking substantial leverage and meeting only once a year.
- Co-operation took the form of the platform receiving strategic documents to comment on *ex-post*, or at very short notice, hindering any effective involvement.

The government distrusted the civil sector in general

The government's distrust was observable in the above-mentioned exchange between HAND and DIDC, but also in the administrative requirements established for tendering for grants - which remain a problem to this day. For each application, the organisation has to provide proof of registration, operations, etc., instead of having to provide all these once annually to become an accredited organisation eligible to apply for grants. The back-payment scheme of grants and the 10% co-financing contribution required from each organisation, plus the requirement of a number of years' operation in the field of development co-operation, also make it more difficult to become eligible for funding. The

latter condition, combined with the lack of capacity-building grants, places NGOs in a vicious circle: limited capacities will not allow them to apply for grants, which would be one of the main sources for funding capacity-building. In 2006, no tender for NGOs was issued by DIDC.

DIDC commented that the tender procedures were centralised in the Law on Public Finances; hence, DIDC was only implementing the law. Different procedures could be put in place only by a law on IDC, which the head of the department was anticipating to submit to Parliament by the end of 2008.

The perspective of the government is that the capacity-building of NGOs should be undertaken by their international umbrella organisations, which is actually happening, and not from the IDC appropriation, which is receding further each fiscal year. The choice of MFA officials, explained the Head of DIDC, is between dedicating funds to NGO and other capacity-building efforts and doing some project work, or funnelling all funds into establishing projects that would at least have the chance to show Hungary's strategic choices and comparative advantages. Doing both overly fragments the budget and achieves less on both fronts.

DIDC believes that the strategic work should be done by the government and its entities, while the NGOs are there to comment on the choices and decisions made. This is reflected in the practice of the department criticised by the civil sector.

The information-sharing practices of the government and DIDC were rhapsodic and incoherent

NGOs and researchers alike complained of DIDC's slow reaction to data requests on IDC and on future plans (on tenders and strategy in general), which is key for NGOs to be able to count on governmental funds in their programming and monitoring activities.

Incoherence of data and information is evident when looking at the DIDC section on the MFA website: calls for applications, winners of grants, reports and other documents are badly structured, do not follow the same pattern of reporting, and data sheets are missing for some years, while provided for others.

The incoherence of data could be the result of human neglect and also of organisational issues, such as the obligation of DIDC to hand in their annual report on IDC already in February, which does not leave too much time for proper reflection (in contrast, the OECD requires ODA reporting much later during the year); or the human resources policy of the MFA, where above a certain level officials are also part of the foreign service corps and have to leave for mission after a certain number of years, making it difficult to ensure continued and efficient oversight of information and data.

The reaction of the department to the data provision anomalies was that Hungary - not being a member of the OECD's Development Assistance Committee (DAC) - was required only to provide simplified ODA data, thus it could not make detailed filtering according to different requirements. The head of the department also admitted that DIDC did not have an efficient project database from where to pull up reports quickly and easily. This database was foreseen for the end of 2007, but in June 2008 the expected launch was postponed until September 2008.

Inclusion of certain embassies into IDC activity is not well communicated to the NGOs, which fear this may be a step to exclude them from the MFA's funding circle

There are fears within the civil society sector that the government would like to enlist the embassies as on-the-ground implementers of IDC. Decentralisation within IDC implementation is a trend that the government has been keen on advancing since 2003 (*IDC report, 2004*), although it is not portrayed as a measure to substitute the involvement of NGOs, but as a tool of rendering IDC more effective. Decentralisation of IDC tasks is a strategic focus of the EU as well (since the 2000 reform of external assistance), which makes it a normal path for Hungarian IDC.

Criticism was formulated in connection to the expertise of the local personnel: an NGO representative, who claimed to have visited embassies in Serbia, Macedonia, and Bosnia and Herzegovina, had the impression that the diplomats lacked the necessary training, information, human resources and mindset to be effective agents of Hungarian IDC policy.

According to DIDC, this implementation line is drawn into Hungarian IDC practice in order to allow for greater speed and flexibility in responding to local needs and contingencies - which would not be the case if each project reported by the embassy would be published as a tender for Hungarian organisations. The first initiative in this regard was a pilot project where DIDC assigned the implementation of micro-projects to five foreign missions (Belgrade, Chisinau, Hanoi, Nairobi and Pretoria). These embassies have to implement these projects themselves, and hiring local partners is obligatory. The financial resources of the 'Foreign Delegation's micro-projects' pool can amount to no more than 10% of the annual IDC appropriation: in 2006, € 84,000 was available. The department is undertaking the development of its personnel's capacities with written materials, while the ultimate objective is to establish a development attaché network at the Hungarian embassies in IDC priority countries.

Against this background, the co-operation between DIDC and HAND has improved one year after the above-mentioned criticisms were assessed:

- DIDC and HAND hold bi-monthly meetings
- HAND is consulted whenever new development policy issues are implemented or

planned, e.g. HAND commented on the IDC law in preparation, which was appreciated by DIDC

- DIDC leaves time for quality reaction on drafts sent to HAND
- DIDC is open to sign a co-operation agreement with HAND
- DIDC is making visible efforts to comply with data requests on time
- HAND's thematic workgroups meet with DIDC outside the regular time interval
- On request, HAND is allowed to attend government commission sessions with observer status.

Some issues advanced by the NGDO community, however, remain unsolved:

- HAND's inclusion into decision-making bodies is not supported
- The Social Advisory Body, where HAND is represented, still remains weak
- Data provided on request remain unstructured and difficult to process.

Civil society organisations active in democracy assistance:

- Foundation for Development of Democratic Rights (DemNet Hungary) - www.demnet.org.hu
- Association of Central and Eastern European Election Officials (ACEEEO) - www.aceeoo.org
- Hungarian Interchurch Aid (HIA) - www.hia.hu
This organisation, although focusing strictly on humanitarian aid, is also active in longer-term international development activities with the objective of social and community development, which may have democracy assistance content.
- European Center for Not-for-Profit Law (ECNL) - www.ecnl.org.hu
- Freedom House Europe - www.freedomhouse.hu and other human rights organisations (e.g. Amnesty International)
- Civil Development Foundation - www.ctf.hu

Hungarian Government Financing for Democracy Assistance⁶

Publicly available financial data from DIDC's website is very fragmented, inconsistent and incomplete, and throughout the research the department failed to provide a straightforward list of projects that would allow meticulous assessment of the financial contribution of the government to democracy assistance.

Reports for the periods 2003-04, 2005 and 2006 have been published, but only the appendix of the 2003-04 report includes a table with a detailed breakdown of disbursements. A detailed project list containing the name of the projects, the corresponding

implementers and costs containing all on-going and completed projects for the period 2003-04, and all the projects planned and under preparation for 2005, can also be downloaded from the DIDC website, but such a report is lacking for 2006.

On the basis of the information published in the reports and data published on the DIDC website and information gathered in interviews, Hungarian financing of democracy assistance activities between 2004-06 can be presented as follows:

| Governmental sources (Hungary) of democracy assistance (€) | | | | | | |
|--|--------------|--------------|---------------|-----------|-----------|-------------|
| | 2003-2004 | 2005 | 2006 | 2007 | 2008 | 2003-2006 |
| IDC | 3,948,000 | 2,800,000 | 1,552,000 | 1,080,000 | 1,200,000 | |
| of which democracy assistance | 835,060 | 771,840 | 325,920* | 208,000 | 200,000 | 1,932,820 |
| democracy assistance as % of IDC | 21% | 28% | 21%* | 19% | 17% | |
| ICDT | N/A | 280,000 | 300,000 | 320,000 | 200,000 | 580,000 |
| International Organisation membership fees corresponding to democracy assistance | 40,069 | N/A | 20,000 | 20,000 | 32,000 | 60,069 |
| Promotion of Democratic Transition fund | N/A | N/A | N/A | 200,000 | 400,000 | |
| Afghanistan (special appropriation created by the government to finance the Hungarian Provincial Reconstruction Team)** | N/A | N/A | N/A | 2,000,000 | 2,000,000 | |
| of which democracy assistance | N/A | N/A | N/A | 500,000 | 500,000 | |
| Total | 875,129 | 1,051,840 | 645,920 | 1,248,000 | 1,332,000 | 2,572,889 |
| * Estimate based on average democracy assistance/IDC percentage (21%) | | | | | | |
| ** Breakdown of grants is necessary to select projects with democracy assistance elements | | | | | | |
| ODA | 81.9m | 87.5m | 114.6m | | | 284m |

According to official answers by the MFA to questions in May 2008, government spending on democracy assistance was of the order of:

- € 408,000 (HUF 102m), comprising HUF 50m (Promotion of Democratic Transition Appropriation) + HUF 52m (democracy assistance projects within IDC activity) in 2007
- € 600,000 EUR (HUF 150m), comprising HUF 100m (Promotion of Democratic Transition Appropriation) + HUF 50m (democracy assistance projects within IDC activity) in 2008.

Most probably these figures do not include the budget of either the Nyíregyháza Initiative or the Szeged Process⁷, which is surprising as these activities were communicated as components of democracy assistance by MFA officials in July 2007, and were not denied their role as such at the PASOS roundtable on Hungarian democracy assistance policy, held in Budapest in May 2008. The democracy assistance component of the Hungarian mission in Afghanistan is also missing: according to the head of DIDC, one-quarter of the special appropriation created by the government to finance the Hungarian Provincial Reconstruction Team was spent on local capacity-building, which could be considered as democracy assistance. This means that in 2007 and 2008, each year HUF 125 million (€ 500,000) was directed to Baghlan in Afghanistan, which is again a substantial contribution compared with all other democracy assistance components.

One important observation to make is the fact that the dedicated budget for democracy assistance (the Promotion of Democratic Transition Appropriation) increased 100% from 2007 to 2008, which is a remarkable tendency amidst general fiscal cutbacks in the same period. The head of DIDC also asserted at the PASOS roundtable in Budapest that in the 300 IDC projects implemented so far, one-third accounted for good governance.

Grants to NGOs and private-sector organisations have been distributed annually since 2003, with the exception of 2006. The grants' total sum changed considerably as the appropriation itself fluctuated (see below). DIDC's website contained information on the winners of the tenders, based on which it has been possible to prepare a calculation of the percentage of projects with democracy assistance content of the total amount of grants.

| DIDC publicly tendered grants (NGO & private sector) | | | | | |
|--|-----------|-----------|---------|-----------|---------|
| | 2003 | 2004 | 2005 | 2006 | 2007 |
| Total (€) | 1,247,555 | 1,746,767 | 839,272 | no tender | 560,000 |
| Democracy assistance (author's calculations) | 78,000 | 337,896 | 175,267 | | 212,008 |
| Democracy assistance as % of total | 6.25% | 19.34% | 20.88% | | 37.86% |

In sum, the MFA is not reporting on annual democracy assistance spending and, when asked to do so, is rather confused as to what components to qualify as such. The eventual arrival of a democracy assistance strategy should solve this problem.

Conclusions

Democracy assistance was always “in the air” after Hungary’s own democratic transition. Many sources confirmed that the rather smooth transition of Hungary made it a poster-child of the process. However, the right personalities and circumstances have to emerge in the right constellation to result in a more systematic approach enshrined in a democracy assistance concept and strategy - which are still to be expected.

The personality of the Minister of Foreign Affairs, Kinga Göncz, and her past experience in democracy education at an NGO, are definitely one factor in bringing about such a change, but the international agenda is also very favourable to Hungary’s involvement on this front, not only within the EU, but also within the UN in general and in the US in particular.

The first revision of IDC is imminent in 2008. The period from 2003 to 2007 was the learning phase when the international principles and practices had to be adopted by the government and other practitioners, and the actors had to be drawn together and moulded into a working policy area. According to DIDC, Hungary has only now identified its fields of strength and will tailor the new IDC policy to reflect this learning period. However, the small Hungarian NGDO community does not seem to be satisfied, and continues to lobby for more involvement in the implementation of IDC. One not irrelevant government reaction to this is that the finances assigned to the activity are way too low to finance all the stakeholders, and for the reasons cited above it seems that the government is keener to spend the little money it has on projects that have higher visibility within the international community than on lower-key community projects.

Democracy assistance is going through the same learning curve as IDC with regard to financing, relations with NGOs, project planning and implementation issues. One challenge that democracy assistance has to confront within the MFA is its relevance as a distinct policy area. Although democracy assistance is supported on a ministerial level, and steps have been taken to approach it more systematically, it is still not clear how much priority will be given to carry through the steps needed to make democracy assistance a clear, coherent and institutionally functional policy area.

To date, it seems that democracy assistance as a whole is not high on the agenda, since the Democracy Workgroup is not a strong player, project decisions reside within the

individual departments and DIDC, and the drafting of a democracy assistance concept is continuously postponed - the latest forecast was for October 2008.

There are, however, processes that reveal slightly changing approaches: more assertive actions towards Cuba, IOHR’s conceptual work, improving relations between NGOs and both DIDC and IOHR. Provided a policy window opens on democracy assistance, these instruments could be leveraged as good practices. Nonetheless, insofar as the MFA perceives its donor activities as a contest with other Visegrad countries, where it is paramount to implement visible, well-communicable projects out of limited funds, support for the underground democratisation of fervently undemocratic regimes will be close to impossible.

The recommendations set out at the beginning of the chapter aim at launching a more systematic, more accentuated, approach towards a democracy assistance policy.

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| Gabriella Kereszty | Department Head of Secretariat, State Secretary for Multilateral Diplomacy |
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| Péter Kolossa | ICDT |
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| Ferenc Kontra | Second European Department, MFA |
| Gyöngyi Szenáky and Tibor Szilágyi | Second European Department, MFA |
| Attila Koppány | Second European Department, MFA |
| Dalma Vincze | Second European Department, MFA |
| István Lakatos | Department of International Organisations and Human Rights, MFA |
| Gergely Fazekas | Democracy Workgroup, MFA |
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| Gabriella Szűcs | DIDC, MFA |
| Kristóf Sirály | DIDC, MFA |
| Miklós Deák | Department for the Americas, MFA |
| Dávid Szesztai | Security Policy Department, MFA |
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Dénes Tomaj, Head, Department for International Development Co-operation (DIDC), Ministry of Foreign Affairs, Hungary

Marianne Berez, Head, Second European Department, Ministry of Foreign Affairs, Hungary

Márta Várkonyi, Head, EU Enlargement Unit, Ministry of Foreign Affairs, Hungary

Dr István Lakatos, Head, Department of International Organisations and Human Rights, Ministry of Foreign Affairs, Hungary

Norbert Konkoly, Deputy Head, Department for the Americas, Ministry of Foreign Affairs, Hungary

István Gyarmati, President and CEO, International Centre for Democratic Transition (ICDT)

Endnotes

1 The 'Euro-Atlantic' denomination refers to the Central Eastern European linkage to both the European Union (EU) and the North Atlantic Treaty Organization (NATO).

2 Based on the intervention of Norbert Konkoly, Deputy Head, Department for the Americas in the Ministry of Foreign Affairs, at the roundtable meeting in Budapest on 15 May 2008.

3 The World Bank's regional office was present from 1992 to 2002, while currently several other organisations co-ordinate their regional work from Budapest: International Labour Organisation (ILO) (since 1993), Open Society Institute (OSI) (since 1993), International Committee of the Red Cross (ICRC) (since 1997), International Organization for Migration (IOM) (since 2000), United States Agency for International Development (USAID) (since 2000), United Nations High Commission for Refugees (UNHCR) Global Service Centre (since 2008). The establishment of a United Nations Food and Agriculture Organization (FAO) regional centre is also now the subject of negotiations.

4 A PASOS/Center for Policy Studies-Central European University roundtable discussion on *Evaluating the Democracy Assistance Policies of the Visegrad Four Countries - Policy Implications of a PASOS Think-Tanks' Study*, supported by the International Visegrad Fund and Open Society Institute Think-Tank Fund, Thursday 15 May 2008, Central European University, Budapest, Hungary5 *IDC Report*, 2006

6 € 1 = HUF 250, which approximately corresponds to the central exchange rate published by the Hungarian National Bank at the time of the research.

7 These two programmes were not included in the financial table of this report either, because of insufficient information on the breakdown of projects, whereas the inclusion of the total support would have over-inflated democracy figures.

8 Amount communicated by the secretary of the Democracy Workgroup in May 2008.

Eastern Promises and Achievements

Poland's Democracy Assistance Policies and Priorities

*Piotr Kaźmierkiewicz
Institute of Public Affairs, Poland*

Since accession to the European Union, Poland has faced the challenging task of transforming itself from a beneficiary of assistance to an agent and donor transferring expertise, skills and resources to countries in transition to the south and east of the enlarged EU. The challenge has been compounded by a lack of tradition, shortage of staff, and limited finances; however, the country can rely on its intangible assets - Poland's own experience of transition, commitment to sharing the democratic ethos, and cultural and social affinity with the target countries.

Five years since the Ministry of Foreign Affairs (MFA) set out the principles, priorities and criteria of Poland's foreign assistance in the first strategic document, and after the implementation by Polish NGOs of nearly 300 MFA-funded projects supporting democracy, civil society and human rights, it is an appropriate time to take stock of the effectiveness and impact of Polish aid. This study considers grants funded by Polish governmental and non-governmental donors and implemented by Polish NGOs in several locations, paying particular attention to activities implemented in Belarus and Ukraine. The point of departure for the analysis is the framework of Polish assistance, presented in the current and draft strategies of the MFA.

The premise of this study is that a coherent and transparent process of planning, design, implementation and evaluation of Polish assistance is needed, particularly at the early stage of development of state aid policy. However ambitious and desirable the vision of democratisation and support to civil society and human rights, successful outcomes are not likely to be brought about without proper targeting, awareness of beneficiaries' needs, and application of adequate measures. Therefore, vital components of an effective national assistance policy include a strong institutional framework, mechanism of communication with agents and beneficiaries, involvement of non-governmental actors, and consistent application of well-defined principles of assistance.

KEY CONCLUSIONS

Strengths of Polish democracy assistance

- *Commitment and experience of NGOs in Poland's eastern neighbours.* The biggest asset of Polish pro-democracy efforts in the East is the community of NGOs. A large number of Polish NGOs have successfully implemented assistance projects in Ukraine and Belarus, and recently have expanded their activities to Georgia, Moldova, and Central Asia. This could serve as the basis for the greater involvement of NGOs in the process of planning and evaluating Poland's national democracy assistance.
- *Transnationalisation of democracy assistance efforts of Polish NGOs through participation in European networks.* Members of Grupa Zagranica (an association of Polish NGOs working abroad in cooperation with, and for the benefit of, foreign partners) have become involved in several pan-European networks, including CONCORD (European NGO Confederation for Relief and Development) and PASOS.
- *More explicit democratisation component of assistance.* Since the Orange Revolution of November 2004 to January 2005, which demonstrated the possibilities for democratic change in the post-Soviet area, the Polish government and NGOs have been more outspoken about the relationship between technical assistance and democratic outcomes. The draft *Strategy of Polish Development Assistance* reflects this shift of focus, devoting an entire chapter to democracy promotion.

- *Broadening of geographic focus and linkage to EU priorities.* Since EU accession, successive Polish governments and presidents have supported a wider application of Polish assistance, with countries such as Georgia and Moldova becoming prominent beneficiaries. While the choice of some post-Soviet states appears to be driven by foreign policy considerations (stepping up relations with the countries of the Caucasus or Central Asia), Poland has also aligned some of its priorities to the EU's key priority areas, such as the Western Balkans, or European Neighbourhood Policy countries (e.g. Palestine Authority).

Weaknesses

- *Priorities of assistance still selected and defined by officials.* The Polish implementing NGOs and their partners in the beneficiary locations are presented with the agenda for assistance to the countries in question, rather than being included in the process of shaping the agenda for the target countries. The current formula of consultations between the MFA and a group of Polish NGOs is limited to technical questions, while the beneficiaries are not consulted at all. This is clearly a problem, especially in new areas of Polish assistance or where Polish diplomacy does not have sufficient on-the-ground experience.
- *No multi-year planning for either the government or NGOs.* Most government projects with a democratisation component are commissioned through annual tenders for projects, involving Polish NGOs. While these tenders are announced regularly, they do not envisage explicit follow-up funding, and projects cannot span successive years. This discourages strategic

planning on the part of Polish NGOs, and fails to promote lasting partnerships with beneficiaries in target countries.

- *Low level of expenditure and uncertain financing.* Although Poland has pledged to increase its ODA spending over the next couple of years, the absolute values of assistance have been modest. Even the limited funds available to NGOs are not guaranteed, as the funds are allocated in a general government reserve fund, and are potentially at risk if other spending is given greater priority.
- *Lack of general framework for democracy promotion efforts.* In contrast to the rhetoric of successive governments about the high priority of democracy assistance in Polish foreign policy, the draft of the *Strategy of Development Assistance* for 2007-2015 has not yet been adopted. The *Strategy*, providing a clear framework for all government-sponsored democracy assistance, could be a reference point, which is currently missing, leaving this component of aid "invisible" in many cases.

Opportunities

- *Development of stable relationships with partners from beneficiary countries.* Polish NGOs have depended on the expertise and capacity of their counterparts in the area of operation. The development of procedures allowing joint applications for funding by Polish and counterpart NGOs, and the establishment of a category of "trustworthy" partners in beneficiary countries, could help capitalise on the successful co-operation so far.
- *Empowerment of beneficiary NGOs and building their capacity for independent*

activities. Partners from beneficiary countries may soon follow the path of Polish NGOs, which once were the implementing agents of assistance projects and have over time become intermediaries and coordinators of activities in other geographic areas.

- *Alignment of donors' priorities.* Many Polish NGOs work in the East through a variety of sources of funding including, apart from the Polish government, American and West European donors. The impact of the all-too-frequently diffused efforts could be increased through exchange of information among donors about their agendas for assistance involving Polish NGOs, consultation with NGOs themselves on best practices for implementation, and cross-dissemination of information on opportunities in beneficiary countries.
- *Greater use of the extensive Polish consular network in the East.* Polish embassies and consulates in the Western Balkans or CIS could be involved in the definition of priorities, and provision of on-the-ground support (including funding) and monitoring of projects implemented by Polish NGOs. Even more importantly, they could serve as sources of information on various sources in Poland of support available to local civil society organisations.
- *Following up on the Eastern Partnership proposal.* The Czech Presidency of the EU in the first half of 2009 could provide Poland with an opportunity to launch several initiatives that would stress the democracy promotion component of the Eastern Partnership. The Polish government should build on its recent intensification of relations with the Belarusian government by proposing areas where EU member states could take common positions vis-à-

vis Belarus. The first half of 2009 is also a crucial period for rallying for opening up concrete measures advancing the progress of Georgia and Ukraine towards an EU accession perspective.

- *The reformed European Instrument for Democracy and Human Rights (EIDHR II)*, as well as the establishment of the European Partnership for Democracy (EPD) in 2008, provide an opportunity to further the co-operation between NGOs from Poland and other EU member states in democracy assistance activities in their target countries.

Threats

- *Multiplication of initiatives and competition between various schemes could confuse the target audience.* In some countries, such as Belarus, the Polish government has pursued several initiatives, some directly managed, others implemented by NGOs. If the various schemes are programmed separately, there is a risk that the target audience is not going to receive a clear message about the overall objectives of Polish activities.
- *The democracy component might be downplayed in the face of strong opposition from authoritarian governments.* While undemocratic governments might prefer Poland to focus on infrastructure or technical projects, the Polish government should insist on the presence of the democracy assistance aspect and the involvement of independent local actors.
- *If the partner from a target country is not consulted about the focus and communication of the project message, it may emerge as less credible at home, and*

the message itself might not be suited to the circumstances of the target country. Particular care must be taken to avoid entangling NGOs from authoritarian countries in political conflict and exposing them to retaliatory government actions.

- *Requirements of transparency and good management practices may at times expose local partners to potential backlash from authorities.* The experience of Polish NGOs working in Belarus confirms the importance of mutual trust between them and the local partners. While all efforts must be made to ensure that the resources are spent towards achieving the objectives of the project, confidentiality may be needed in the case of projects with overtly political goals, so that the local NGOs are not endangered.

POLICY RECOMMENDATIONS

Government

- Consensus is needed between the main actors of Polish foreign policy on the priority of the democracy agenda in relations with undemocratic states or countries with a democratic deficit (such as Belarus, Russia, or Central Asian states). It is essential that the Prime Minister's Office, the Office of the President and the Foreign Ministry present a consistent message in official contacts with the governments and diplomats of these states.
- Completion of the work on the Law on Foreign Assistance is urgently needed, as the passage of the law is a prerequisite for the establishment of a dedicated aid budget and increased public funding for

development and democracy assistance. Once passed, the law will enable state agencies to develop multi-annual aid perspectives.

- Follow-up and multi-year initiatives should be encouraged by pre-announcing the government's financial commitments with regard to specific countries and issue areas that are defined as part of country strategies. The announcement of priorities should be reflected in higher budgetary outlays for matching activities, while the share of non-priority activities should decrease.
- Closer co-ordination is needed to identify and oversee the activities of all ministries in the field of external aid, and to ensure that the various initiatives comply with Polish foreign policy priorities in bilateral relations as well as on the regional level, and that the democracy assistance component is taken into account when programming, implementing and monitoring assistance schemes towards undemocratic states or states in transition.
- The Polish government's annual tenders and assistance programmes ought to be based on the comprehensive *Strategy of Development Assistance* that should reflect the changing needs of beneficiaries, and match the Polish vision for democratisation in the strategic region of the western CIS. The *Strategy* adopted must clearly distinguish democracy-assistance objectives from the more general development aims.
- In the medium- to long-term, it is worth considering establishing a dedicated implementation agency for the management of official assistance programmes. The agency should build on the staff and experience of the Department of Development

Co-operation of the MFA. The draft *Strategy of Development Assistance* should outline a roadmap for establishment of the agency.

Polish Ministry of Foreign Affairs

- An urgent task for Polish diplomacy is the presentation of flagship initiatives within the framework of the Eastern Partnership, building on the successful national initiatives (support to media freedom in Belarus, development of local government in Ukraine). The Partnership ought to stress the link between democratisation, human rights, and the perspective of EU accession.
- Democracy assistance should become one of the key objectives of co-operation within the Visegrad Group. The International Visegrad Fund should become a major donor supporting pro-democracy projects in Eastern Europe and the Balkans. This would allow Polish NGOs to conduct pro-democracy activities together with experienced partners from other Central European countries, as well as to build partnerships in the target countries.
- In particular, Polish assistance to Belarus could be partly channelled through the international umbrella of Visegrad co-operation, which could be less controversial than activities funded by one particular country, especially Poland, and thus make the democracy assistance activities less susceptible to the hostile propaganda of the Lukashenko regime.
- Poland ought to collaborate on the development of joint positions of the EU towards Belarus within the framework of the Czech EU Presidency.

- The small-grant programmes of Polish embassies should be significantly expanded to provide direct funding for selected civil society organisations in target countries.
- Poland's MFA ought to publish an annual review of the situation in the countries of priority importance, which should identify the activities of the Polish government and NGOs, outline the priorities for further democracy-promotion activities, and identify the associated risks and opportunities. An analysis of country needs ought to take into account the state of development of civil society and current threats to democracy. Such a review should incorporate consultations with both selected beneficiaries and Polish NGOs.
- Dedicated funds are needed for developing partnerships between Polish and local NGOs. Future grant competitions should place stronger emphasis on pre-project activities that would invest in establishing trust-based, long-term relationships, thus resulting in recurrent partnerships. It is also recommended that the projects led by Polish NGOs should be designed in such a way as to provide for some flexibility as to the type of activities and forms of co-operation by making provision for incorporating the feedback from organisations from target countries.
- Development education could be broadened to include funding for the presentation of Polish NGOs' best practices of work in priority countries. Dissemination of the practical experience, and practical advice on strategies for managing risk and solving problems, should target other Polish NGOs that might be considering activities in some of the new target countries of Polish assistance for the first time.

Polish NGOs

- Grupa Zagranica should continue to monitor the assistance programmes of the Polish government, as well as publish annual statements on the recommended priorities for Polish (and European) assistance.
- While applying for assistance, Polish organisations might consider setting aside in their budgets and project plans a section devoted to dialogue with foreign partners on desired follow-up activities and assessment of needs. The conclusions of the consultations could provide the basis for future applications for funds. Such a practice and communication of it to existing and potential donors should be made a priority.
- Clear terms of reference stipulating the role of a foreign partner at all the stages of the project are needed to ensure transparency and good project governance. The terms of reference should indicate the financial and human resources required of the partner, as well as place responsibility for concrete deliverables.
- A shift could be made towards projects in which Polish NGOs concentrate on building the institutional capacity of their partners in target countries. Their assets include the shared heritage of authoritarian political systems, skills developed in an uncertain and fast-changing environment, and experience of establishing and sustaining relationships with Western donors.
- Polish NGOs working in the field of democracy assistance abroad, both individually and as a group, could broaden their appeal by more frequently relating their activities to larger EU and regional initiatives, for instance the Eastern Partnership. In addition, reports on the activities of Polish NGOs abroad could increasingly emphasize the regional and European dimension of these efforts.

Conceptual and Institutional Framework

The official document outlining the principles, directions and priorities of Polish development assistance, as currently applied, is the *Strategy of Polish Co-operation for Development of 2003* (henceforth referred to as the *Strategy*).¹ This was the first document of its kind, and its adoption was necessary prior to Poland's accession to the EU, as the country had made specific commitments to increasing the volume of its development assistance. The *Strategy* covered in very broad terms both multilateral and bilateral assistance, and outlined the institutional and financial framework for the emerging Polish development aid system. The details were left to be worked out later, which was understandable considering the very low assistance levels and the almost total lack of experience in building a national system of assistance.

Polish development aid, including democracy assistance, is planned annually on the basis of yearly operational documents. Following the guidelines of the *Strategy* of 2003, these plans are developed by the MFA with the Ministry of Finance, and contribution is also made by other line ministries as part of inter-ministerial consultations.²

The MFA is the key institution overseeing Polish state development and democracy assistance activities. The organisation of assistance within the ministry was gradually determined as the volume of assistance grew. In 1998-2002, the level of assistance was minimal (with fewer than 20 projects annually), so two officials at the Department of the United Nations System handled all the work, which consisted mainly of servicing Poland's obligations as part of multilateral assistance and maintaining contacts with the Organisation for Economic Co-operation and Development (OECD) and the World Bank.

The scope of responsibilities of the MFA in this regard was spelled out for the first time in the *Strategy* of 2003. The MFA was assigned a key role in planning, co-ordinating and supervising the implementation of development assistance.³ Its *planning* role was defined broadly, including: devising general guidelines for aid policy and more specific annual assistance plans, laying down priorities by sector and geographical area, drafting framework regional and country assistance programmes, as well as concluding bilateral agreements with priority beneficiary countries. The ministry was entrusted with

co-ordinating the development assistance activities of other ministries, and the identification and alignment of the target-country governments' priorities for external assistance. Its *supervisory role* was limited to ensuring the effectiveness and efficiency of operations of multilateral assistance funds and programmes, and ongoing monitoring of the operation of the implementing agency (*instytucja wykonawcza*).

The scheme outlined in the *Strategy* had the dual advantage of establishing the MFA as a clear co-ordination centre for Polish development assistance at the same time as separating the functions of strategic planning (allocated in the Ministry's Department of International Development Assistance) from project management (outsourced to an implementation agency). This clear division would have helped concentrate the ministry's resources on development and fine-tuning of the policy, and as a side-effect would have made it a key stakeholder interested in raising the profile of development assistance among the priorities of the Polish state.

From the commencement of work on the strategy of assistance (2000-2002), officials planned to divide the planning and implementation aspects of management, leaving the latter in the hands of the Polish Agency for Co-operation and Development. In their view, the Austrian model, entrusting the political and strategic aspects, as well as choice of priorities, to a department at the Foreign Ministry, while externalising the management to a separate agency, was preferred to the Irish model that combines the two aspects in a large assistance department.

However, the *Strategy's* vision was not fully realised. The ministry failed to co-ordinate the activities of other ministries, and was only informed of their priorities and initiatives *post factum*. Neither was a separate implementing agency created, which meant that all the central project management activities were undertaken by the ministry's staff. As a result of these two shortcomings, a complete system of assistance management did not come about, which limited the Polish state's capacity for devising and running a consistent policy.

A decision was made against setting up a dedicated government agency. Instead, the *Strategy* envisaged that the operational management of assistance would be undertaken by an external implementing agency, selected in a bid. Subject to ongoing supervision and periodical controls by the ministry, the agency would be responsible for executing a whole range of project implementation activities - launching tenders, participating in the selection of contractors, concluding contracts, monitoring on an ongoing basis and evaluation of projects, collecting and assessing applications for co-funding, running a database of NGO partners, organising training events, and promotional activities.⁴

The rationale for charging the ministry's staff with operational issues was economic - the level of assistance appeared insufficient to warrant outsourcing these functions to an external institution, let alone setting up a dedicated government agency. In turn, the ministry

could not take over a co-ordinating function, as in the period prior to and directly following the approval of the *Strategy* another ministry was overseeing a much larger share of development aid: the Ministry of Finance was in charge of the terms of extension of, and payment of, credits to developing countries, which represented the lion's share of Poland's contribution at the time.

The growth in the volume of assistance and number of projects called for a separate unit to be set up at the MFA. Both planning and implementation of assistance were assigned to the Department of Development Assistance, which was set up in September 2005. The department is composed of two divisions (Development Policy and Programming, and Implementation of the Development Assistance programme) and a unit (Team for Supporting Democracy).

Democracy assistance has not been accorded a particularly prominent place in the institutional structure of the MFA. The Democracy Assistance Team is a recent, relatively low-level part of the Department of Development Assistance at the ministry. The department's responsibilities cover a whole range of activities, and much of the work is of a rather technical nature. It is the body responsible for developing co-operation with priority countries, listed by the Development Assistance Committee of the OECD, for representing Poland at the OECD, EU and UN development policy fora, and for servicing Poland's multilateral assistance contribution to international institutions (the World Bank, UN, EU). In addition, the Department is the co-ordinating, planning and implementing body for the national assistance policy and for the disbursement of bilateral funds both directly and through other government agencies, diplomatic establishments, and NGOs.

"Support to democracy, transformation and development of civil society" is a component of the department's mission of growing importance.

While the department plays a central role, other ministries co-operate in the implementation of development assistance. The Ministry of Finance disburses financial assistance, assists in debt reduction and offers preferential credits while, through its Office of Educational Qualifications and International Co-operation, the Ministry of Science and Higher Education organises stipend programmes.

The need for taking a more systemic approach was recognised during the work on the revision of the *Strategy* that started in 2005 and resulted in the dissemination of the draft in spring 2007. The Department of Development Assistance of the MFA drafted *Solidarity, Development and Freedom: Strategy of Polish Foreign Assistance for 2007-2015*, which is currently at the stage of interministerial consultations.⁵ The new *Strategy* considered the establishment of a dedicated government agency in the future: "An optimal institutional solution for implementing the Polish programme of foreign assistance would be the establishment of a separate implementing office (bureau or agency to be determined through a parliamentary act), supervised by the Minister of Foreign Affairs."

Officials point out that such an agency, modelled on the United States Agency for International Development (USAID), could help disassociate Polish democracy assistance from Polish foreign policy proper, which would be especially welcome in countries such as Belarus, where the authorities are particularly suspicious of Polish activities on political grounds. However, to date, this idea has not been well received by the other ministries, especially the Finance Ministry, which argues that the level of assistance is too small to warrant the establishment of a separate agency.

The establishment of a separate government co-ordination centre appears to be inevitable in the light of the increasing volume of Polish official assistance and the growing priority of foreign aid in successive governments' concepts of foreign policy. In the short run, expansion of the staff of the Department of Development Co-operation should be sought, as recommended in the two evaluations of Polish foreign assistance made by Polish NGOs. However, the co-ordination centre should be strategically placed as an independent agency so as to be able to oversee and align the various initiatives of ministries and government institutions. The allocation of a separate budget to the agency would be the first step towards the development of multi-annual financial perspectives and the adoption of a programme-based approach that are needed if Poland is to meet its commitment to increase ODA as a percentage of gross domestic product (GDP).

Although there is political consensus as to the need for highlighting democracy support in Poland's assistance to the countries of Eastern Europe, to date little actual progress has been made to translate these proposals into action. New initiatives were established during the tenure of the Law and Justice government and the presidency of Lech Kaczyński. The Interministerial Unit for Supporting Democratic Changes in Central and Eastern Europe (*Międzyresortowy Zespół ds. Wspierania Przemian Demokratycznych w Europie Środkowowschodniej*) was established in the Prime Minister's Office, and is headed by the former Polish Ambassador to Belarus, Mariusz Maszkiewicz. The division of responsibilities between this unit and the MFA is not clear. In particular, it is not clear whether the Prime Minister's Office is going to establish another fund or seek to influence the policy of disbursement of funds by the MFA.

Planning and Implementing Democracy Assistance

MFA tenders

Development aid, including democracy assistance, is generally disbursed through annual tenders that are launched, managed and monitored by the Department of Development Assistance of the MFA. Three types of tender are run every year, separately for different

groups of applicants. The projects are proposed and, if successful, implemented by either NGOs, central or local government units, or Polish diplomatic representations. Generally, the choice of the implementing unit depends on the type of project. Large infrastructure or transfer-of-experience projects are undertaken by central or local government offices, and people-to-people actions by NGOs, while the Small Grant Fund is used by Polish representations in Africa and Asia for small development aid projects. According to the MFA, there are plans to engage research institutes and businesses in future implementation.

All tenders follow comparable project cycles. First, the Division for Development Assistance and Programming at the Department of Development Assistance announces a competition (for Polish NGOs), or notifies Polish central and local government bodies, and diplomatic representations, of the possibility to submit project proposals. The proposals are submitted either by individual organisations or consortia (as in the case of diplomatic representations that typically co-operate with church charities or missionary establishments in Poland for tasks to be completed in developing countries).

The applications are reviewed by two MFA officials: a person from the respective territorial department (e.g. Eastern Policy) makes sure that the project corresponds to Poland's foreign policy objectives in the given country, while a person from the Department of Development Assistance checks the technical feasibility of the project, and the capacity of the applicant. The results of the NGO competition are announced publicly (at a conference) and on the central website www.polskapomoc.gov.pl, run by the MFA. The government offices and embassies are contacted directly by the MFA.

The officials of the Division for Implementing the Programme of Development Assistance monitor the financial and content aspects of implementation of the project. Finally, the implementing organisations submit official reports on the implementation of the project.

NGOs taking part in the MFA tenders have criticised some aspects of the organisation of the process. Firstly, the timing of the announcement of results (spring or even summer) left the successful applicants with only half a year for the implementation - as all the projects had to be completed by the end of the given year. Secondly, in the absence of multi-year planning or of calls for follow-up projects, the organisations lacked incentives for more sustainable processes or for building lasting partnerships. Finally, strict division of tenders by geographical regions prevented organisations that were even capable of undertaking multi-country projects from launching such initiatives. On a number of occasions, budget limitations produced paradoxical situations when similar projects proposed by the same organisation to be implemented in different countries were not all approved.

Changes are envisaged in the management of assistance. Officials at the Department of Development Assistance have realised that neither the NGOs nor local or central government agencies are going to provide enough projects to spend all the money resulting from the planned increase of the budget. They are certain that at some point (possibly from

2010, and certainly not later than 2015) a programmatic approach is going to be applied. This is reflected in the draft *Strategy*, which states that “it is essential to introduce a system of planning assistance through mid-term programming, based on the guidelines of the Polish assistance strategy for individual partner countries and agreements between the Polish government and authorities of those countries”.

The *Strategy* streamlines the cycle of management of foreign assistance, explicitly aiming to base Polish practice on the OECD and EU standards. The new model is going to consist of six distinct stages:

- **programming**, where general guidelines and agreements are formulated for the areas where intervention is going to be needed;
- **identification**, applying programming guidelines to analyse the needs of the partner countries;
- **preliminary assessment**, checking the logic of assistance and compliance with the designated intervention area as well as financial rationale;
- **financing**, aligning the programme with multi-year framework financial perspectives for the assistance;
- **implementation**, during which projects would be monitored and adjusted if new circumstances arise;
- **evaluation**, consisting of “systematic and objective assessment of assistance activities, aiming at determining whether they are appropriate and whether the objectives have been reached as well as establishing their efficiency and effectiveness, measured as the relation between the resources and development effect, and assessing the lasting effect of the activities and the impact of the results on the beneficiaries”.

Consultations with NGOs

The role of NGOs is increasing. In 2004, 30 Polish civil society organisations received funds amounting to PLN 1.5m (€ 330,000). The following year, the number of recipient organisations rose to 48, and the sum reached over PLN 10m (€ 2.48m). In 2007, Polish NGOs received PLN 25.5m (€ 6.77m) for 110 projects, out of which 37 were allocated to Ukraine, 12 to Belarus, 12 to Moldova, and 10 to Georgia.⁶

Polish NGOs implementing development and democracy assistance are associated together in Grupa Zagranica. This network, which currently includes 49 organisations,⁷ began operations in 2001, and was formally established three years later. Its original priorities were the promotion of high standards in aid and the representation of NGOs’ interests vis-à-vis the Polish government institutions involved in assistance. The group maintains a website www.zagranica.org.pl, which serves as a resource, including analytical reports, declarations, guides for NGOs’ work abroad, and contact information of all the members. Grupa Zagranica took positions on existing government programmes and identified priority areas for Polish assistance in a number of countries (in particular,

Belarus and Ukraine) in response to the draft of the government plan for international assistance in 2006.⁸

The activities of Grupa Zagranica in the field of evaluation of Polish official aid were stepped up in the subsequent years, when members established a team monitoring Polish foreign assistance. The team produced two annual reports in 2007 and 2008, containing recommendations in the areas of legislation, institutional set-up, planning, evaluation, and partnership.

The second report took stock of the degree to which the previous report’s recommendations were realised, and came up with a set of new prescriptions.

The one recommendation followed by moderate progress was the call for increased transparency on the side of the MFA in the provision of information about Polish development assistance. However, five out of six recommendations had not been implemented:

1. The MFA’s co-ordinating role was not strengthened;
2. Less concentration on priorities was observed;
3. Contrary to the recommendation, new obligations going beyond those indicated in the *Strategy* were undertaken by ministries;
4. No limits were placed on the use of tied aid; and
5. No obligation was introduced for consultations on assistance with the beneficiaries so as to consider their needs.⁹

Although the Polish NGOs are given an opportunity to oversee the tender process (through close collaboration with the responsible MFA officials), Grupa Zagranica has repeatedly raised the problem of insufficient consultation on the priorities of country assistance with NGOs with experience in the respective geographic areas.¹⁰

The two monitoring reports criticise the MFA for non-transparent and unclear choice of priorities, and concerns have been raised as to funding of non-priority items. Although the amount of publicly available information is increasing, the data presented are often fragmentary and incomplete, making evaluation difficult.

Consultations with NGOs are still irregular and are rarely concerned with the choice of priorities or strategic questions. An exception was the survey sent by the Prime Minister’s chief of staff, Adam Lipiński, to Grupa Zagranica in December 2006.

In conjunction with the establishment of an advisory body to the Prime Minister’s Office, the Interministerial Unit for Supporting Democratic Changes in Central and Eastern Europe (*Międzyresortowy Zespół ds. Wspierania Przemian Demokratycznych w Europie Środkowowschodniej*), NGOs were asked for feedback on current and future democracy assistance activities.

The survey sought NGOs' opinions on:

- priority political and geographic areas of assistance
- most effective and efficient instruments and forms of assistance in the fields of:
 - free media
 - civil society
 - humanitarian assistance (including aid to persecuted individuals)
 - European or Euro-Atlantic choice
 - support to Good Neighbourhood¹¹
- supporting economic reforms and political and systemic transformation
- negative or positive assessments of the distribution of development assistance funds in 2006
- choice of other effective instruments (e.g. legal changes) in implementation of programmes to support democratic changes in Poland's eastern neighbourhood.

Volume of Democracy Assistance

Official Development Assistance (ODA) and non-ODA bilateral assistance

Prior to EU accession, Poland did not distinguish between democracy assistance and development assistance. Thus the volume of the funds for promotion of democracy, human rights and good governance cannot be easily ascertained for the early years. The two relevant budget lines are Poland's bilateral official development assistance (ODA) (excluding contributions to international organisations), and non-ODA official assistance, which was also bilateral (see table). The breakdown by country is not available for the period until 2004.

The fact that Poland increased the level of its bilateral assistance did not necessarily translate into a rise in funding for democracy assistance or human rights. In fact, as is evident from the priorities of development assistance, almost no ODA funds to non-European states were devoted to these "soft" issues; instead, emphasis was on restructuring overdue debt or infrastructure schemes. On this basis, it is fair to assume that democracy assistance existed exclusively within ODA to European countries (and Central Asia) and non-ODA official assistance, where Poland was not bound by the strict rules of ODA definitions.

Until 2002, the volume of bilateral assistance that involved democracy aid was very low, and the share of European states in bilateral ODA actually declined from 2000 to 2002. The level of ODA varied widely from year to year, as the small total amount was sensitive to single settlements on credit restructuring (see high variation in total bilateral ODA).

| Volume of Poland's bilateral development assistance, 2000-2006 (millions €) | | | | | | | |
|---|------|------|------|------|------|------|------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
| Official Development Assistance (bilateral only) | 13.4 | 36.3 | 9.0 | 16.6 | 20.4 | 38.4 | 92.2 |
| <i>out of which: Europe</i> | 3.5 | 1.6 | 0.9 | 10.5 | 7.4 | 23.7 | 11.7 |
| Official Assistance (OA) | 11.4 | 11 | 15.2 | 19.7 | 16.4 | N/A* | N/A* |
| European ODA and total OA | 14.9 | 12.6 | 16.1 | 30.2 | 23.8 | N/A | N/A |
| Total bilateral assistance | 24.8 | 47.3 | 24.2 | 36.3 | 36.8 | N/A | N/A |

Source: Author's calculations based on the annual reports of the Ministry of Foreign Affairs, *Polska współpraca na rzecz rozwoju*, for the years 2004, 2005 and 2006. Exchange rates: EUR/PLN for mid-year.
*Since 2005, only ODA figures are given in the MFA materials.

Starting in 2002, Poland raised the amount allocated to non-ODA funding, and a year later more ODA funds were concentrated in Europe, as some projects supporting transition could be accounted as part of Poland's ODA commitment.

The value of Poland's official development assistance (ODA) grew from US\$ 137.6m in 2004 to nearly US\$ 205m in 2005 and US\$ 309m in 2006¹². This constituted 0.068% of the country's GDP in 2005 and 0.1% the following year. The government committed itself to raise the level of ODA to the EU targets for new member states of 0.11% in 2007, 0.17% in 2010, and 0.33% in 2015.

Democracy assistance is a minor item in the development assistance budget. It features both as part of EU aid, which is financed with Polish contributions, and of bilateral programmes. In 2005, US\$ 145m out of US\$ 205m of Poland's ODA was managed by the EU. Of that sum, US\$ 3.28m (or around 2%) was allocated to democracy and human rights, US\$ 10.03m to the Western Balkans (around 6%), and US\$ 5.3m to Eastern Europe and Central Asia. Only 23% of overall Polish ODA (or US\$ 48m) was bilateral and managed by the Polish state. However, it is clear that the geographical priorities of the EU and Poland in development assistance differ: US\$ 29.7m (61.7%) of Poland's bilateral ODA was allocated to European states.

The volume and share of funds in the hands of the MFA grew from PLN 18m (or US\$ 6.5m) in 2005 to PLN 85m (US\$ 30m) in 2006. The bilateral assistance to the countries supported in 2005 was increased fourfold in 2006.

Educational exchange

The Ministry of Education and Science co-ordinates the studies, training, and visits of foreign students and academics at Polish universities. This form of support may be termed part of democracy assistance with regard to the states from South-Eastern Europe and the Commonwealth of Independent States.

The table (below) presents the numbers of students (excluding trainees) from selected countries in 2004-2005.

The top four countries of origin of foreign students in Poland (accounting for almost 44% of the total) comprise the three Slavonic-speaking states of the western CIS (Ukraine, Belarus, and Russia) and Kazakhstan, which is home to a significant Polish *diaspora*. In fact, as many as 30-40% of all foreign students, and the majority of those originating from the former USSR, declare Polish origins.

| Students at Polish universities and colleges from selected states of South-Eastern Europe and CIS ¹³ | | | | | | | | | |
|---|-------|-------|-------|-------|-------|--------|--------|--------|---------|
| Country/region | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | TOTAL | % TOTAL |
| All states | 6,653 | 7,380 | 7,608 | 8,106 | 8,829 | 10,092 | 11,752 | 60,420 | 100 |
| Former USSR | 3,692 | 4,393 | 4,542 | 4,616 | 4,787 | 4,903 | 5,394 | 32,327 | 53.5 |
| Ukraine | 1,272 | 1,693 | 1,809 | 1,880 | 1,965 | 1,989 | 2,224 | 12,835 | 21.2 |
| Belarus | 909 | 1,002 | 1,088 | 1,171 | 1,211 | 1,305 | 1,544 | 8,230 | 13.6 |
| Kazakhstan | 409 | 411 | 430 | 422 | 421 | 436 | 431 | 2,960 | 4.9 |
| Russia | 289 | 291 | 346 | 381 | 388 | 393 | 427 | 2,515 | 4.2 |
| Moldova | 45 | 55 | 64 | 70 | 79 | 77 | 73 | 540 | 0.9 |
| Albania | 42 | 50 | 59 | 69 | 77 | 78 | 84 | 459 | 0.8 |
| Armenia | 26 | 24 | 28 | 43 | 60 | 83 | 89 | 353 | 0.6 |
| Uzbekistan | 14 | 21 | 23 | 35 | 48 | 53 | 56 | 250 | 0.4 |
| Serbia and Montenegro | 33 | 40 | 33 | 33 | 34 | 33 | 29 | 235 | 0.4 |
| Georgia | 10 | 0 | 21 | 30 | 39 | 42 | 31 | 173 | 0.3 |

However, even discounting the interest in Polish culture and language, large numbers of students come from countries that are the targets of Polish efforts in democracy assistance (Ukraine and Belarus). These two states recorded dynamic growth in the number of students coming to Poland - three-quarters more students from Ukraine came to Poland in 2006 than six years earlier, and 70% more Belarusians studied in Poland in 2006 than in 2000. Even higher rates of growth (although from a low base) were noted with regard to students from Albania, Armenia, and Uzbekistan.

Few larger public-funded grant programmes have been extended to students from countries with a democratic deficit. An exception is the flagship official *Konstanty Kalinowski Fellowship Programme*, developed for Belarus. In 2006, the Polish Prime Minister, Kazimierz Marcinkiewicz, Belarusian opposition presidential candidate Aliaksandr Milinkievich, and representatives of Polish universities signed an agreement to launch a scholarship programme for Belarusian students. Nearly 300 participants were chosen who had been expelled from schools in their home country as a result of pro-democracy activities. The programme covers tuition, housing and stipends, and included language and cultural courses. The programme is co-ordinated by the Eastern Europe Studies Centre at the Warsaw University.

Bilateral Democracy Assistance to Selected Countries

Priorities and trends, 2003-2006

In 2003-2006, democracy assistance remained a minor budget item in Poland's total bilateral assistance, which focused on debt reduction, preferential credits for Polish exporters, and technical assistance. It is interesting to note that in 2005 nine out of ten leading countries benefiting from Polish assistance were post-communist (Serbia and Montenegro, Ukraine, Uzbekistan, Belarus, Kazakhstan, Moldova, and Georgia) or communist countries (China, Vietnam). The exception was Iraq, where Polish troops were present.

In 2005, three countries received the bulk of all bilateral assistance in the form of financial assistance (mainly debt reduction and preferential credits): Serbia and Montenegro, Uzbekistan, and China received PLN 117.1m, or 75% of bilateral aid (out of which Serbia and Montenegro was granted PLN 60.5m).

Poland's eastern neighbours are covered largely as part of the bilateral assistance managed directly by the Ministry of Foreign Affairs which, however, accounts for only 11.5%

of total Polish bilateral assistance. This fund was divided into three main baskets:

- technical assistance to countries in transition
- development assistance for priority countries
- Small Grant Fund.

Technical assistance has been targeted at European and Central Asian post-communist countries, while development assistance was allocated to seven poor countries, qualifying for ODA (in 2005 those were Afghanistan, Angola, Georgia, Iraq, Moldova, Palestinian Authority, and Vietnam), while Small Grants were allocated to sub-Saharan Africa, Cambodia, and Mongolia.

The MFA-managed assistance targeted two main groups of countries in 2005 and 2006. Over half of the aid went to Belarus, Ukraine, Moldova, and Georgia - up from PLN 10m in 2005 to PLN 43.5m in 2006. The clear leader in both years among East European states was Ukraine, which received three-quarters of the funds allocated to these four states. Around 10% was allocated to the priority countries, such as Afghanistan, Iraq, Vietnam, Angola, and the Palestinian Authority - where funding grew from PLN 2.1m in 2005 to PLN 8.3m in 2006. The rest of the funds in 2006 were allocated to other CIS states (PLN 3.5m), and other Asian and African states (PLN 2.5m). The MFA also committed nearly PLN 20m to multilateral, humanitarian, and food assistance.

The criteria for the selection of the beneficiary states of Polish bilateral assistance were announced in the *Strategy* adopted in 2003. The promotion of democracy was implied in only one of the three criteria, covering countries "undergoing political transformation", most notably in South-Eastern Europe and the western CIS. Two other priorities dealt with the existing ties between Poland and the given country, including "strong political, economic and cultural relations" and the presence of the Polish *diaspora*. The stated criteria placed an emphasis on the symbolic and cultural affinity with the target countries rather than on the values that Poland would like to promote in its assistance.

The priority countries for Polish bilateral assistance were first selected in 2004. They were Afghanistan, Angola, Georgia, Iraq, Moldova, and Vietnam, complemented by the Palestinian Authority in 2005. Five of these territories were chosen in fulfilment of Poland's obligation to extend the strong focus on development assistance. The other two states, Georgia and Moldova, qualified as states "undergoing political transformation".

Even in those cases where technical support was provided to the more distant states, it included elements of democracy assistance. The objectives of assistance to several countries contained references to good governance as early as 2004. Technical assistance to Afghanistan was supposed to bring about the "reconstruction" and "rehabilitation" of central and local government structures. Aid to Georgia was planned to help establish "stable" government institutions (including local government). On the other hand, Iraq

was to be strengthened through assisting public administrators in setting up state structures. Moldova was unique in being targeted with aid towards European integration.¹⁴

Bids for implementing the assistance were organised for these four countries (the ministry did not run competitions for Angola or Vietnam due to low NGO interest). Projects with governance- or democracy-related content were awarded only in Georgia and Moldova, while all funds in Afghanistan and Iraq were spent on infrastructure schemes. Two out of five projects for Georgia (the total aid level of € 86,000) dealt with the development of local government, while two out of four projects implemented in Moldova (total funding of € 81,900) contained references to the European integration objective.¹⁵

However, due to the restrictions on ODA funding, a number of countries that represented priorities in Polish foreign policy in general were not named as such officially (in particular Ukraine and Belarus, but to a lesser extent also some countries in Central Asia, Azerbaijan, and three Balkan states - Bosnia and Herzegovina, Serbia and Montenegro, and Macedonia). Thus, in 2005, for procedural reasons, much of democracy assistance was couched as non-ODA official bilateral assistance. A separate tender was announced for "countries in transition" (the bulk of which went to Belarus and Ukraine), with 27 projects awarded at a cost of around € 234,000. An additional € 21,800 was granted for the observation of elections in Belarus and Ukraine.¹⁶

In 2005-2006, the focus of the Polish MFA shifted to some overt democratisation efforts, involving not only NGOs, but also state-run initiatives. The priority country in this regard became Belarus, whose priority in Polish assistance was highlighted by the fact that it became a recipient of Polish ODA in 2006. In 2005, 13 state-funded development projects were used for assisting democracy in Belarus, and the number reached 25 in 2006 (totalling PLN 5.6m or € 1.4m). In addition to the aid granted as part of ODA, two separate lines were earmarked specifically for Belarus - supporting independent information (one project at a value of PLN 3.2m, or ca € 800,000), and internet and media initiatives (nine projects for a total of PLN 880,000 or € 220,000).

Multi-country initiatives launched more recently by the MFA in the democratisation area include the *Strategic Economic Needs and Security Exercise (S.E.N.S.E)* and *Young Diplomats' Training*. S.E.N.S.E. is a simulation game modelling complex decision-making, developed originally by the U.S. Institute for Defense Analyses. The Polish rounds of the exercise, implemented by the Warsaw University and Poland's Ministry of Defence, targeted, *inter alia*, national and local government officials from Moldova and Ukraine, and NGO activists from Belarus. The strategic games served to highlight the relationships between security, economic growth and democracy-building. The Young Diplomats' Training brought together Ukrainian, Moldovan and Georgian MFA officials who had the chance to learn about the Polish experience in international security and European integration.¹⁷

While still few in number, these initiatives testify to the willingness and readiness of the Polish MFA to spread the experience of Polish transition to nearby countries. As in country-specific programmes (see Belarus), the Ministry chooses implementing partners among other government agencies, local government, academic institutions or experienced NGOs with proven expertise and skills.

Recent trends in MFA-sponsored democracy assistance

Support to democratic change became a more prominent part of the strategy of assistance of the Polish Foreign Ministry in 2007. Alongside socio-economic development, the objectives of promoting “democracy, development of civil society, free media and human rights” featured in the annual *Programme of Polish Foreign Assistance* for 2007. References to democracy were explicitly given in the cases of Belarus and three other priority states (Ukraine, Moldova, and Georgia). The three latter states were to be also the targets of assistance towards European integration.

Pro-democracy activities were given high priority in the planned MFA-administered assistance budget for 2007. Over half of the Ministry’s aid reserve (PLN 49m out of PLN 90m, or ca € 13m out of € 24m) was committed to fund activities in the four countries towards which clear priorities of support to democracy, human rights and good governance were defined - Belarus, Georgia, Moldova, and Ukraine. The lion’s share of the funds went to Belarus (PLN 26m (€ 6.8m) or nearly 29% of the reserve), followed by Ukraine (PLN 15m or € 3.95m).

| Breakdown of Polish Foreign Ministry-funded NGO democracy assistance projects by country/region (percentage of number of projects) | | | | |
|--|------|------|------|------|
| | 2005 | 2006 | 2007 | 2008 |
| Ukraine | 41 | 40 | 46 | 44 |
| Belarus | 27 | 24 | 16 | 20 |
| Caucasus | 19 | 11 | 12 | 12 |
| Moldova | 3 | 9 | 9 | 8 |
| Balkans | 5 | 4 | 7 | 2 |
| Other | 5 | 11 | 9 | 13 |

Source: Author’s analysis on the basis of the announcements of annual MFA grant competitions for NGOs

| Breakdown of Polish Foreign Ministry-funded NGO democracy assistance projects by issue area/sector (percentage of number of projects) | | | | |
|---|------|------|------|------|
| | 2005 | 2006 | 2007 | 2008 |
| Local government | 22 | 23 | 20 | 21 |
| NGOs, civil society | 38 | 29 | 14 | 18 |
| Education, youth | 24 | 20 | 26 | 30 |
| Media, information | 8 | 13 | 12 | 13 |
| EU integration | 5 | 11 | 14 | 13 |
| Other | 3 | 7 | 12 | 5 |

Source: Author’s analysis on the basis of the announcements of annual MFA grant competitions for NGOs

The analysis of recent annual MFA grant competitions for NGOs indicates a shift in the strategy of distributing resources. Most funds targeting Belarus were allocated to media organisations established by the Polish government (Belsat TV, Radio Racja). As a result, the number of MFA-funded projects implemented in Belarus by Polish NGOs declined (in 2005, 27% of all tendered democratisation projects by Polish NGOs took place in Belarus, but the share declined to 16% in 2007 before rising to 20% in 2008). The absolute value of funds for NGO-run projects in Belarus dropped too - from over PLN 4m (€ 1m) in 2006 to PLN 2.5m (around € 660,000) a year later.

A shift in geographical priorities was noted, too. On the one hand, the pool of projects was lower for the countries of the South Caucasus (from 19% in 2005 to 12% in 2007). This was accompanied on the other hand by the rising share of projects for two states neighbouring the enlarged EU - Ukraine (up from 41% in 2005 to 46% in 2007) and Moldova (up from 3% to 9%).

Poland has begun to differentiate between priorities for assistance in the light of acknowledged needs. Belarus is a stark example of this approach. Over 80% of MFA resources for that country were invested in the establishment and maintenance of alternative media. Two government projects, Belsat TV station and Radio Racja, consumed PLN 20m (€ 5.26m) in 2007, more funding than allocated to all MFA-funded projects for Ukraine and Georgia combined. Moreover, the value of all the other media projects for Belarus implemented by Polish NGOs (PLN 1.34m or € 350,000) outweighed the value of the funding allocated to projects in the fields of support to NGOs (PLN 980,000 or € 258,000) and education (PLN 150,000 or € 39,500).

Shifts between sectors were observed, too. In 2007, the value of funding for projects supporting the development of Belarusian NGOs increased by over 35%. In turn, far less emphasis was placed on the issues of education and youth (five projects at a cost of PLN 682,000 or € 180,000 in 2006, then only one for PLN 150,000 or € 39,500 a year later). No funds were spent on projects on local government or European integration in Belarus in 2007, which set a precedent in funding for this country.

Significant shifts were noticeable in the priorities of Polish assistance towards other countries. A drop in the numbers of projects supporting the development of the NGO sector was evident in the grant competitions for Ukraine (decline from nine to five projects) and Moldova (none in 2007 compared with four the year before). A significant share of projects was devoted to education (from eight to ten) and, unlike Belarus, European integration projects were still funded in both countries.

Outlook for the future of MFA-funded assistance

The role of democracy assistance is likely to grow in the medium- to long-term as the draft of the new *Strategy* for 2007-2015 devoted a separate chapter to it, making it an area equal in importance to classic development and humanitarian assistance. This trend is highlighted by the statement in the introduction that “Polish foreign assistance ought to overcome the past dichotomy between development aid and assistance to democracy and development of civil society”. The new document envisages that all development assistance projects should “acknowledge” the “democracy-building component”.

The draft *Strategy* contains the first reference in MFA documents to a common set of priorities for funding activities in various undemocratic states. The list of priorities included in the draft document of 2007 is more extensive and specific (containing seven categories), indicating higher awareness of the overall weight of pro-democracy issues. The list also implies the ministry’s willingness to fund specific types of activities in response to “various forms of democratic deficit”.

Examples include promotion of independent media in countries lacking alternative sources of information, support to political and economic change in states that are either undemocratic or with “low democracy standards”, promotion of human rights and civil rights where violations are reported, and assistance to individuals persecuted for their convictions and to members of their families.

The MFA also defined the conditions under which official Polish democracy assistance would be offered in the long term. The choice takes into account firstly the needs of the target country, expressed in the depth of its democratic deficit - the level of state repression and human rights violations as well as societal challenges, including “corruption, organised crime, oligarchisation, absence of free media” - and in the emergence of democratic movements. Secondly, Poland’s comparative advantage is taken into consideration

insofar as the Ministry proposes to focus state activities on undemocratic states that are geographically close or states where pro-democratic stakeholders have expressed interest in Polish lessons in transition or European integration.

These declarations indicate an awareness among the MFA’s officials of several principles that should guide state assistance efforts if the aid is to be effective. Firstly, assistance needs to be suited to the country’s needs and to respond to a broad array of threats to democracy and civil society - of a political, economic and social nature. Secondly, the timing of intervention should take into account the maturity of democratic forces, the level of development of the civil society sector, and the access to independent information. Finally, the limited MFA budget requires concentration on actions with the highest potential impact, thus calling for the best use of Poland’s comparative advantage.

Officials from the MFA’s Department of Development Co-operation indicated that they were already being guided in their choices of objectives for the annual aid tenders by concerns to secure the greatest impact for assistance activities.¹⁸ They admitted to adjusting priorities and *modus operandi* for individual countries within the various geographical regions. A good case is Eastern Europe. An official from the Democracy Assistance Team at the MFA stressed that the communications and forms of co-operation are strategically decided for each country so as to maximise the entry points and stimulate long-term co-operation.

Ukraine is the country where democratic institutions and processes are in place, and European orientation declared, so that Poland may transfer a whole range of experience, including institution-building. Moldova is, like the countries of the South Caucasus, eligible for poverty-reduction ODA. In turn, the low level of EU and Polish relations with Belarus, the presence of the significant Polish minority, and the continued violation of democratic and human rights standards in Belarus allows Poland to focus on strict democracy assistance.

This, in turn, is not the approach taken towards Russia, with which Poland is engaged on a variety of levels - such as economic relations, cross-border co-operation, and security policy. To maximise impact, the projects are framed in such a manner as to be acceptable to the Russian stakeholders (local government) - stressing technical capacity-building while seeking to feature a democracy-building content in the background.

However, the ministry’s staff members are aware of the limitations of the current set-up of the process by which priorities are selected, and suggest that a differentiated approach is going to be elaborated in the near future. Officials from the Department of Development Assistance have expressed an interest in moving from application-driven programming to programmed assistance. The ministry outlines the new decision-making paradigm in a relevant section of the *Strategy*: considering the likelihood of limited political dialogue with a partner country that could otherwise help define the needs in a precise manner, the

programmatic assistance would be designed based on “a situation assessment provided by the pro-democratic civil-society groups in the partner country and on [the Polish government’s] own analyses and those prepared by specialised international institutions”.

Differentiation between target countries would also entail the adoption of different long-term strategies towards various countries. The revised *Strategy* identifies three groups of countries, according to the type of policy package offered. These packages arrange three “concentric circles” of assistance targets, depending on the priority level and intensity of bilateral relations. The first circle will include priority countries for which multi-year democratisation strategies will be developed. The middle ring will comprise countries where the needs identified closely match those areas where Polish aid might be most effective. The outer ring consists of all the states to which Poland could transfer general experience.

As the *Strategy* indicates, this does not mean a major shift in geographical priorities, as Poland intends to continue to place emphasis on its immediate eastern neighbours (especially Belarus and Ukraine) as well as on Central Asia and the South Caucasus. In line with current trends, more funds will be allocated to South-Eastern Europe, and selected countries will be targeted in Central America, the Middle East (especially Iraq and Afghanistan) and sub-Saharan Africa (mainly countries where Polish Catholic missions are present).

Polish NGOs’ Democracy Assistance Projects

Belarus

Belarus meets several of the criteria listed in the strategic documents of the Polish MFA that qualify it as a target country for democracy assistance. On the one hand, it is a neighbouring state and homeland to a significant Polish minority, which highlights the need for development of cross-border technical and business co-operation, and maintenance of people-to-people contacts (e.g. through a liberal visa policy). On the other hand, Poland has on many occasions raised the issue of human rights violations, political repression and insufficient access to independent media, supporting activities aiming at the strengthening of institutions of civil society, increasing access to alternative information and promotion of the Belarusian identity, language and culture, as well as support to the Polish minority.

The official priorities for Polish assistance to Belarus list a number of areas, all falling within the definition of democracy assistance. Four major segments of activities are supported by the MFA:

- improving access to objective information on history, cultural identity and contemporary life in Belarus, and strengthening the Belarusian language;

- sharing with government, academic and cultural elites the Polish experience of democracy, respect for human rights and minority rights, European integration, market reforms, and social policy;
- support to independent social, educational, media, and cultural initiatives;
- sharing knowledge and experience in the development of the civil society sector, cross-border co-operation, education, and SMEs.¹⁹

To meet these various objectives, cross-cutting programmes have been developed. Some of them (such as the radio or TV broadcasts) realise an explicit pro-democratisation mission; others aim at achieving change without concentration on overt political content (such as scholarships programmes, usually not limited only to dissidents, or support to regional press). Belarus is the only country towards which the Polish state has adopted a consistent assistance strategy that can be identified by reviewing recent trends. Considering the limited general budget for democracy assistance, Belarus receives a high share of Polish state funding in this area, and the funding has been flowing for several years. It is the only state where Poland has funded in parallel large overtly political projects, undertaken by dedicated Polish state-run institutions (such as media outlets), and smaller undertakings carried out by NGOs.

These trends suggest an interest of the MFA in adopting a more programmatic approach. Firstly, a relatively small number of larger Polish NGOs channel most of the funds - this may be justified by the fact that they often have to actually run the projects on the ground, handling complex accounting as well as the greater difficulties of operating in a hostile environment. Secondly, continuity of support is evident: five out of the 12 largest projects in 2007 were in fact follow-up activities on projects from 2006.

In 2007, the total value of the MFA assistance to Polish NGOs working in Belarus was PLN 2.6m, making it the second most important destination after Ukraine. Out of the 12 projects granted in 2007, two referred to pro-democratic movements and political rights, four initiatives concentrated on the development of civil society and activism, three aimed at improving access to information and the protection of historical memory and identity, and two intended to strengthen the NGO sector in Belarus. In 2006-2007, ten out of the 12 largest MFA-supported projects by NGOs working directly or indirectly in Belarus fell within the scope of democracy assistance.

Several Polish NGOs have been engaged in projects run in Belarus for several years. Among them are the East European Democratic Centre, Centre for Civic Education Poland-Belarus Foundation, the Foundation Education for Democracy, the Stefan Batory Foundation, and the Polish Helsinki Human Rights Foundation. Earlier, the CASE Foundation maintained long-term operations. Larger projects have recently been organised by the School of Leaders Association, European Meeting House - Nowy Staw Foundation, Christian Culture Association ZNAK, Fala Foundation, Eastern Europe College, the Borussia Cultural Association, and St. Maximilian Kolbe Reconciliation and Meeting House.²¹

Currently, most Polish NGO projects focus on building the institutional capacity of Belarusian NGOs. According to Joanna Horozińska, until recently co-ordinator of the Belarusian support programme at the largest Polish NGO in the field, the areas of concentration for the future are: transfer of know-how, consultancy, exchange of information, monitoring, development of NGO databases, individual grants, youth exchange, and activities on the revival of historical memory and national identity.

| Largest MFA-funded projects for Polish NGOs working in Belarus, 2006-2007 (by value) ²⁰ | | | | |
|--|---|--|-----------|-----------------------|
| | NGO | Projects | Year | Value (PLN thousands) |
| 1 | Center for Civic Education Poland-Belarus | Support of independent information in the Republic of Belarus (radio broadcast) | 2006 | 3,272 |
| 2 | European Institute for Democracy | Development of centres fostering local democracy in Belarus; Centres of Civic Activity - road towards building civil society in Belarus | 2006-2007 | 995 |
| 3 | J.N. Jezioranski Eastern Europe College | Belarusian Publication Programme | 2006-2007 | 785 |
| 4 | Center for International Relations | Belarus School of Journalism (training press officers); Belarus Live (improving public access to information, increasing awareness of situation in Belarus globally) | 2006-2007 | 608 |
| 5 | East European Democratic Centre | Support to independent regional press | 2006 | 462 |
| 6 | Finance and Administration Private University | Setting up a system of business education and credit associations to support SME development | 2006 | 440 |
| 7 | CASE - Center for Social and Economic Research Foundation | Supporting the development of Belarusian small business and preparation for market reforms | 2007 | 420 |
| 8 | Freedom and Democracy Foundation | Information centre for documentation and support to victims of political repression | 2006-2007 | 383 |
| 9 | Belarusian Robert Schuman Association | Support to independent publishing in Belarus | 2006 | 356 |
| 10 | East European Democratic Centre | Civic Belarus - strengthening civil society through local activity | 2006 | 279 |
| 11 | Catholic Intellectual Club | Weekend study visits for Belarusian youth in Poland | 2006 | 265 |
| 12 | School of Leaders Association | Belarusian School of Local Leaders: Together for Local Communities | 2006-2007 | 264 |

Ukraine

Ukraine comes second after Belarus in the value of democracy assistance funding committed by Poland's MFA (largely due to the heavy funding of media initiatives targeting Belarus), but has consistently occupied the first position in the number of projects implemented by NGOs. In 2004-2008, as many as 116 projects (out of a total of 282) were implemented in Ukraine, involving a far larger number of Polish NGOs than in the case of assistance to any other beneficiary country of Polish aid.

The high number of NGOs involved reflects on the one hand the expertise and experience of many Polish organisations in working with their partners in this "strategic neighbour" of Poland. On the other hand, assistance to Ukraine has been much more varied in terms of issue areas and sectors. Four out of five key areas of assistance received high attention, as is evident in the numbers of projects (around five or more a year in each area), thus allowing greater diversity of NGOs working in these areas and possibly leading to improved quality of the projects themselves due to higher competition.

Comparison of the priorities for projects targeting Belarus and Ukraine indicates some crucial differences, which imply a different focus of assistance, which in turn might confirm the application of differentiated country strategies by the Polish MFA. Unlike Belarus, where the majority of both directly funded and NGO-implemented projects seek to promote alternative access to information and strengthen independent media, this area is the least likely to receive MFA funding when it comes to Ukraine. This, of course, stems from the conclusion that the Ukrainian media do enjoy relative freedom and are in less need of funding or transfer of management skills.

| Breakdown of MFA-commissioned NGO democracy assistance projects by sector (%), Ukraine, 2004-2008 | | | | | | |
|---|------|------|------|------|------|-----------|
| Sector | 2004 | 2005 | 2006 | 2007 | 2008 | 2004-2008 |
| Local government and regional development | 50 | 33 | 25 | 18 | 22 | 24 |
| NGO and civil society | 25 | 33 | 25 | 15 | 19 | 22 |
| Education and youth | 25 | 27 | 22 | 29 | 30 | 27 |
| Media and access to information | 0 | 0 | 6 | 3 | 0 | 3 |
| EU integration | 0 | 7 | 19 | 15 | 22 | 16 |
| Other | 0 | 0 | 3 | 21 | 4 | 8 |

Source: Author's analysis of the results of MFA-funded NGO project competitions

The perception that Ukrainian civil society has matured enough to be involved in partnerships rather than in projects aiming to support its survival, and that government institutions (and local government structures) could be its allies, underlies some other trends in Polish assistance to NGO work in Ukraine. The projects strengthening NGOs and civil society institutions are becoming lesser priorities - while in 2005, every third project fell into this category, only one in six projects did so in 2007. The maturity of the local government structures was taken into account, as the share of projects supporting decentralisation or local government reforms dropped from 33% to 18% of the number of projects in that period.

The more advanced stage of Polish-Ukrainian relations has shifted emphasis from strict democracy assistance to transfer of Poland's experience in specific public policy areas - focusing increasingly on EU integration, education and youth exchange, which together accounted for the majority of projects allocated in 2008. While the share of funds going to different priorities is not yet stable, the case of Ukraine shows that with the rise in the number of projects and the wider-ranging presence of NGOs, some stability is a natural evolution, leading to sustained forms of assistance.

Western Balkans

Few conclusions can be drawn about Polish priorities of assistance in the Western Balkans. In 2004 and 2008, only one democracy-related project per year was granted to NGOs, while the number rose to two in 2005. The region took on greater importance in 2006 and 2007, when respectively four, then five, projects were allocated that could be considered to have an impact on the development of democracy and civil society.

In the years 2004-2008, a total of 13 democracy assistance projects (accounting for 4.6% of all projects) were allocated, the majority of which (eight) concerned EU integration, followed by three projects serving the development of local government and regional planning.

These issues largely matched the priorities announced by the MFA, such as the support to social transformation, promotion of the EU integration idea, and the development of local government. In 2006, the latest year for which overall data are available, a total of PLN 1,435,000 (or € 357,000) was spent on seven projects implemented by NGOs and one project undertaken by the Polish government. No projects were undertaken by the Polish embassies in the region in that year.²²

Cuba

Cuba is not listed as one of the priority countries for Polish development assistance. The few initiatives involving Polish NGOs have been carried out with foreign partners. For instance, the East European Democratic Centre (<http://eedc.org.pl>) organised, in

collaboration with the Czech People in Need (PIN), an event drawing attention to human rights abuses in Cuba. In February-March 2003, a photo exhibition of Czech photographer Pavel Hroch, entitled "The Sea is our Freedom and our Prison", featured a cycle of pictures of political prisoners' families. During the exhibition, hosted at the Warsaw University Library, signatures were collected to nominate Osvaldo José Payá Sardiñas, the founder and leader of the Movement for the Liberation of Christians in Cuba, for the Nobel Peace Prize.

Selected Non-Governmental Donors

Three Polish organisations (as set out below) were launched by foreign donors in the 1990s to promote democratisation and the development of civil society in Poland. It soon became clear that Polish lessons of transition could serve as an inspiration for Poland's eastern neighbours, and the organisations set out to achieve this purpose through a combination of granting and operational programmes. It is important to note that while the funding was of foreign origin, the process of selecting the priorities was autonomous. From the perspective of the foreign donors, Poland's experience of co-operation with its eastern neighbours and the lessons of Poland's own transition positioned the country as a good location for local co-operation initiatives that could continue the work and realise the values envisaged by the original foreign donors.

Stefan Batory Foundation

Established by George Soros in 1988, the Warsaw-based Stefan Batory Foundation is the largest non-governmental domestic grantor in the field of democratic assistance. Its mission is to "support the development of an open, democratic society in Poland and other Central and East European countries" with three priorities - increasing the role and involvement of civil society, upholding civil liberties and the rule of law, and promotion of international co-operation and solidarity. It runs both grantmaking and operational programmes, targeting activities in Poland and throughout the region of Central and Eastern Europe, most prominently in the direct eastern neighbourhood of Poland, Belarus, the Kaliningrad region of Russia, and Ukraine. Its programmes in the East are funded, *inter alia*, by the Ford Foundation, Robert Bosch Foundation, and the Polish Foreign Ministry.

The Foundation offers three grantmaking programmes focusing on the CIS. *East-East: Partnership Beyond Borders* (run in conjunction with Open Society Institute (OSI) partners in different countries) supports international projects implemented in the countries of Central and Eastern Europe and Central Asia, *Citizens in Action* assists NGOs in Belarus and Ukraine engaged in building and developing civil society in these countries, and the *Community Initiatives Partnership*.

After the EU accession of Poland, the Stefan Batory Foundation established a new grant-making programme, offering support of up to € 12,000 for trilateral co-operation projects of NGOs from Poland and Germany and from Ukraine, Belarus and the Kaliningrad region. The *Community Initiatives Partnership* programme encourages civic education and activism through projects focusing on European integration, environmental protection, civil rights and freedoms, and common history, as well as national and cultural heritage. Project activities should primarily benefit recipients in Belarus and Ukraine. The value of the grant from the Robert Bosch Foundation for the programme in 2007 is € 192,594.

The Stefan Batory Foundation also implements projects in Ukraine (as well as in Belarus and other CIS states) through its operational International Co-operation Programme. The projects undertaken under the programme concentrate on the implications of the EU's policies towards its eastern neighbours. Projects, such as "Enlarged EU and Ukraine: New Relations", "European Choice for Belarus", and "More than Neighbours"²³, articulated independent ideas promoting the European integration of countries covered by the European Neighbourhood Policy, as well as Belarus. The projects incorporated the input of Belarusian and Ukrainian NGOs, as well as highlighting the need for internal EU reforms and changes in the perception of the eastern neighbourhood in EU member states.

As part of the project targeting Ukraine in 2005-2006, activities were undertaken aimed at the dissemination of information on European integration. The project targeted individuals and groups involved in informing the Ukrainian public on EU issues. An important element included a three-day seminar in Kyiv and a week-long study visit to three Polish cities for 30 representatives of regional European information centres from Ukraine who acquainted themselves with the best Ukrainian, Polish and European practices in launching information campaigns on European integration. Study visits to three Polish cities were offered to 27 representatives of Ukrainian authorities, universities and NGOs from nine regional centres, where seminars were later held on the Polish experience of EU accession, and practical implications of EU membership for various aspects of local government and regional policy were presented.

An academic workshop, drawing researchers from regions of Ukraine, Poland and Russia, was held to discuss Ukrainian-Russian relations in light of EU integration. Two seminars and a roundtable attracted in turn diplomats, think-tanks and the media to the discussions of the impact of the Orange Revolution on EU-Ukrainian relations. The activities were conducted in co-operation with several Ukrainian partners, including the Foreign Ministry, the International Renaissance Foundation, the Centre for Peace, Conversion and Foreign Policy of Ukraine, and Europe XXI Foundation.

Polish-Ukrainian Cooperation Foundation – PAUCI²⁴

Founded in 1999, The Poland-America-Ukraine Cooperation Initiative (PAUCI) was a trilateral initiative of Poland, Ukraine, and the US, whose objective was to provide impetus

to collaboration between Ukraine and Poland, and to share the lessons of Poland's democratic transition. Thus, the Initiative's mission highlighted Poland's Euro-Atlantic integration as a role model for Ukraine's own development, while stressing the value of the established bilateral ties. Relying on USAID funding and administered by Freedom House, PAUCI extended 185 partnership grants to 424 organisations in Ukraine and Poland at a total value of over US\$ 4.3m. PAUCI also arranged technical assistance visits of US and Polish experts through its American and Polish Volunteers for International Development Programmes (AVID and PVID).

In 2005, the Polish-Ukrainian Cooperation Foundation was established in Warsaw, and this Poland-based entity has continued the mission of its predecessor. Greater emphasis was placed on targeting assistance to building the capacity of Ukraine for integration into Euro-Atlantic structures. In addition, the new mission, reflecting the post-Orange Revolution landscape, envisaged Ukraine's involvement in "active support of democratic processes in the region", in particular Belarus, Moldova, and Russia. The Foundation set out to support activities in the fields of: (a) advocacy for closer integration with Euro-Atlantic structures, (b) administrative and local government reform, (c) international and EU business standards, (d) ethical standards in public life, and (e) youth empowerment.

Polish American Freedom Foundation (Polsko-Amerykańska Fundacja Wolności)

The Polish American Freedom Foundation was set up in 2000 as a follow-up to the Polish-American Enterprise Fund, which had earlier funded Polish SMEs. The Foundation's mission had a strong pro-democratisation content, aiming to "advance democracy, civil society, economic development and equal opportunity in Poland and, ultimately, in other Central and Eastern European countries". While it funds Polish NGOs in several domestic public policy areas, it also runs initiatives that serve to spread the lessons of Polish reforms to other countries in transition. Two dedicated programmes realise this objective: the Lane Kirkland Grant programme, and cross-border initiatives under the RITA-Transition in the Region scheme.

Between 2000-2007, 223 grantees from Armenia, Azerbaijan, Belarus, Georgia, Lithuania, Moldova, Russia, and Slovakia benefited from the Lane Kirkland Grant programme. They were able to study at Polish universities subjects crucial to effective economic and political transformation. Study tours to Poland were in turn organised as part of the RITA programme for academics, social activists and businesspeople - 686 participants used this opportunity to meet their Polish counterparts between 2003 and 2007. Since 2005, the formula has also included the visits of Ukrainian officials willing to learn from Poland's experience in various aspects of EU integration.

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2 See section 5.1 (p. 14) of *Strategia polskiej współpracy...*, op.cit.

3 *Strategia polskiej współpracy...*, op.cit., pp. 15-16.

4 *Strategia*, op.cit., p. 17.

5 The text has not been made public. General reference to the work on the draft *Strategy* can be found at: <http://www.polskapomoc.gov.pl/Nowa,strategia,polskiej,pomocy,172.html>

6 For each year, the Polish Central Bank mid-year exchange rate (30 June) was used to calculate the figures in euros.

7 The full list of members is available at: http://www.zagranica.org.pl/index.php?option=com_content&task=blogsection&id=4&Itemid=27

8 The texts of all positions can be found at:

http://www.zagranica.org.pl/index.php?option=com_content&task=blogsection&id=6&Itemid=46

9 *Polska pomoc zagraniczna 2007: raport z monitoringu przeprowadzonego przez organizacje pozarządowe*, Grupa Zagranica/Polska Zielona Sieć: Warsaw/Szczecin 2008, Annex 1, p. 42.

10 Interview with Marta Pejda, Secretary of Grupa Zagranica (September 2007).

11 The term "Good Neighbourhood" refers to the countries and territories adjacent to Poland in the east - the Kaliningrad region (Russia), Belarus, and Ukraine

12 For earlier years (2004-2005), the Polish Ministry of Foreign Affairs published figures only in USD (not even in PLN)

13 E. Kępińska, *Recent Trends in International Migration: The 2007 Sopemi Report for Poland*, Warsaw 2007, Table 27, p. 78, available at: http://www.migracje.uw.edu.pl/obm/pix/029_87.pdf

14 Ministry of Foreign Affairs, *Polska współpraca na rzecz rozwoju: raport roczny 2004*, Warsaw 2005, pp. 15-18.

15 Ibid.

16 *Polska współpraca*, op.cit., p. 21.

17 *Polska współpraca z partnerami z Europy Wschodniej, Kaukazu Południowego i Azji Środkowej*, Ministry of Foreign Affairs 2007, p. 3

18 Interviews were held at the Department of Development Assistance in August 2007.

19 "Belarus" in the portal of Polish MFA development assistance, <http://www.polskapomoc.gov.pl>

20 Polish Ministry of Foreign Affairs, Department of Development Co-operation

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21 The list follows that given by Joanna Rohozińska, the co-ordinator until mid-2008 of the programme of support for Belarus at the East European Democratic Centre, in an interview, included in the fifth edition of the *Aktywność polskich organizacji pozarządowych zagranicą* (Activity of Polish NGOs Abroad) CD-ROM. See <http://www.zagranica.org.pl>

22 *Polska współpraca na rzecz rozwoju. Raport roczny 2006*, Ministry of Foreign Affairs 2007, p. 60.

23 <http://www.batory.org.pl/english/intl/neighbour.htm>

24 <http://pauci.org/en/>

Endnotes

1 Ministry of Foreign Affairs, *Strategia polskiej współpracy na rzecz rozwoju*, approved by the Council of Ministers on 21 October 2003, available at: http://www.polskapomoc.gov.pl/files/dokumenty_publicacje/Strategia_2003.doc

Exporting Democracy (not only Democracy...)

Slovakia's Democracy Assistance Policies and Priorities

Grigorij Mesežnikov
Institute for Public Affairs (IVO), Slovak Republic

Before we set out to evaluate the issue of democracy assistance in Slovakia, it is important to note the following facts:

- The Slovak Republic is a consolidated democracy with a stable institutional system, effective system of human and minority rights protection, functioning market economy and developed civil society;
- The Slovak Republic joined the Organisation for Economic Cooperation and Development (OECD) in 2000 and the European Union (EU) in 2004, which effectively turned it into an active donor in the field of development assistance aimed at other countries;
- In 2003, the Slovak Republic established an institutionalised system of Official Development Assistance (ODA), which provides a mechanism for interaction between government institutions and non-governmental organisations (NGOs) when implementing various projects abroad, including democracy assistance projects;
- In the mid-1990s, Slovakia went through a period of internal democratic deficits¹ that were eliminated following a high degree of civic mobilisation and assistance provided to pro-democratic forces by democratic players in the international community. As a result of this struggle, the country developed an ethos of resistance against authoritarian practices and solidarity with nations that are oppressed by undemocratic regimes; in other words, it developed an ethos of supporting democratic values;
- During the process of overcoming democratic deficits, civil society actors and representatives of NGOs gained experience that could be used in the implementation of democracy assistance projects abroad;
- Between 1998 and 2006, the country was ruled by political forces that unambiguously supported the democratisation process in other countries;
- As a full-fledged EU and NATO member, the Slovak Republic promotes an “open door” policy regarding both organisations’ future enlargement, which is the cornerstone of its pro-active approach to helping potential candidate countries increase their level of preparedness.

Between 2004 and 2007, Slovakia's activities implemented in the field of democracy assistance took the following forms:

1. Projects implemented within the framework of government-financed ODA/Official Assistance (OA), including projects implemented by NGOs
2. Projects implemented by Slovak NGOs with the support of international donors (i.e. foundations, funds, endowments, NGOs)
3. Projects implemented by Slovak NGOs that were supported by the special grant scheme of the Ministry of Foreign Affairs (MFA)
4. Activities of Slovak NGOs funded from donations by Slovak citizens.

The Slovak government's support of democratic development in other countries was implemented almost exclusively through a specifically created mechanism provided by ODA.

KEY CONCLUSIONS

In recent years, Slovakia has become an important actor in democracy assistance in the region of eastern and south-eastern Europe with relatively diverse geographical coverage. While the main actors in this field are NGOs, many of their activities in the recipient countries would not be possible without financial support from the state, mostly through the country's ODA mechanism. On the other hand, NGOs are the main generators of ideas in the field of democracy assistance (topics, issues, methodology), and they serve as the engine of the whole endeavour.

Domestic political conditions (the stances of the dominant political actors) still influence the shaping of democracy assistance policies, but pressure from the community of independent implementers (NGOs) is becoming an ever more important, if not crucial, factor. This pressure can serve to disable or partially impede possible negative changes connected with political developments (for example, the "commercialisation" of ODA, i.e. the replacement of democracy assistance with support for commercial/trade relations with the countries in question, and the decline of political will to support groups and individuals working for democracy and human rights).

POLICY RECOMMENDATIONS

The following recommendations are intended to foster debate with a view to strengthening democracy assistance policies in Slovakia:

General political framework of democracy assistance

- State institutions and politicians in Slovakia

should consistently and continually demonstrate the political will for support of democratisation processes in transition or pre-transition countries;

- Peer pressure should continue to be exerted towards countries with democratic regimes (Ukraine, Bosnia and Herzegovina) in support of their implementation of necessary reforms, while

any steps and statements that could put in doubt Slovakia's commitment to processes of democratisation in countries with undemocratic regimes must be avoided;

- Any improvement in the international status of countries with undemocratic regimes (Belarus, Cuba), and their membership in international organisations, must be strictly conditional on tangible improvements in the field of human rights;
- Politicians should refrain from misleading public opinion by statements implying that there is a contradiction between ODA (including democracy assistance) and the national interests of the Slovak Republic.

ODA policies (priorities, grant-making procedures, etc.)

- Funds allocated for ODA should be increased in absolute and relative numbers in order to meet the international commitments officially agreed by the Slovak Republic;
- Democracy assistance should be sustained as a key priority of the country's ODA;
- Financial allocations for different categories of projects should be clearly specified and ring-fenced over multi-year periods. This can help to prevent a pronounced shift from democracy assistance projects to infrastructural ones and to keep a more balanced proportion between sectoral priorities.
- Although ODA and democracy assistance can to a certain degree serve as tools for the country's "soft-power diplomacy", it would be wrong to consider ODA as a

systematic entry-point for Slovak business into local markets. Such an approach could lead to the commercialisation of ODA and the total neglect of democracy assistance;

- ODA (including democracy assistance) is essentially a *pro bono* non-profit activity, which justifies the preferential choice (where the process is made public, including where appropriate the use of public tenders) of implementers that correspond to this principle in the following order: NGOs, academic institutions (universities, research and scientific institutes), public administration institutions (local government, state organs), and private-sector companies;
- A permanent mechanism of consultation and co-operation between governmental agencies (MFA, Slovak Agency for International Development Co-operation - SAMRS) and NGOs working on democracy assistance (members of the Platform of Non-Governmental Development Organisations - PMVRO - and others) should be established;
- The functional micro-grant schemes administered by embassies in the recipient countries of Slovakia's ODA should be continued and the funds for such schemes increased; implementation of small grants should be flexible and adjusted to local conditions (e.g. in terms of accountancy rules, matching funds requirements, etc)
- Support should be continued for long-term partnerships between Slovak and recipient-country NGOs;
- The trend of increasing project coverage in the recipient countries should be continued, not necessarily by seeking

new partners in new localities, but where possible by building sustainable local partnerships with the capacity to spread know-how throughout the recipient country. For instance, local NGOs/partners in central cities should be encouraged to form project networks (or to use existing networks or coalitions) for the implementation of projects;

- Slovak implementers should be encouraged to involve partners in the recipient countries in the preparation of projects in order to strengthen local ownership and to better meet local needs;
- Implementers (both Slovak and recipient-country actors) should improve the transparency of their activities by publicising widely information about their projects and about their results, and making them available for other actors in order to facilitate the sharing of good practices and avoidance of bad practices. It should become a codified requirement for all recipients of ODA to inform the public about their work within the approved projects. (Exceptions to this requirement can be justified only in the case of autocratic, undemocratic regimes where such disclosure might endanger the implementers, and where more underground survival tactics require a greater degree of confidentiality concerning their activities.)

Priority content recommended for ODA/democracy assistance projects

- **in Ukraine:**
 - . Euro-Atlantic integration
 - . socio-economic and political reform, especially parliamentary procedures and law-making process
 - . public accountability and transparency
- **in Belarus:**
 - . civil society development
 - . fostering expert community and academic co-operation
 - . support for independent cultural and educational initiatives
 - . support for independent media and channels of communication
- **in Bosnia and Herzegovina:**
 - . EU integration
 - . democratic transition (political parties, parliament, local democracy)
 - . civil society development
 - . public accountability
 - . assistance in inter-ethnic communications/community development
- **in Cuba:**
 - . human rights (and humanitarian assistance for victims of political repression)
 - . civic education
 - . expert and academic training and co-operation
 - . independent media
 - . support for independent cultural and educational initiatives.

Institutional, Political and Financial Framework

The broader social framework for the Slovak Republic's ODA/OA (including democracy assistance), as well as the means of its implementation, is determined by the following factors:

- general priorities of the country's foreign policy
- declared importance of development assistance in the context of foreign policy priorities
- character of relations between Slovakia and other countries
- total volume of funds allocated to ODA/OA
- commitment of ruling political forces to democratic values, and their endeavours aimed at promoting democratic values in other countries
- character of government's relations with domestic civil society actors.

Concrete goals in the field of development assistance were set by the Slovak government's programme manifestos of 1998 and 2006. The documents formulated intentions to "prepare a strategy of foreign development assistance in order to contribute to the endeavour of developed countries to mitigate the problems of hunger and poverty in the least developed countries" (1998) and to create "the necessary financial, legislative and organisational conditions for effective provision of development assistance in compliance with foreign policy objectives" (2006). The issue of development assistance forms an integral part of several strategic documents elaborated by the MFA.

The institutional system of ODA/OA in Slovakia

Building the foundation of Slovakia's development assistance mechanism began with the *Strategy of Development Assistance provided by the Slovak Republic*, which the cabinet approved in July 1999. Subsequently, in December 1999, the cabinet adopted the *Charter of Active Development Assistance and Co-operation* that defined the core goals, principles, forms and means of development co-operation. The document defined active development assistance along with humanitarian aid as an "integral part of Slovakia's foreign policy", and identified three areas of active development assistance - socio-economic, cultural-historical, and political. The latter area included a commitment to promote "peace, equality, democratic institutions and respect for human rights and freedoms in recipient countries".

In 2001, the cabinet approved the *Mechanism of Providing Government Development Assistance of the Slovak Republic*. A special resolution adopted in 2002 stipulated the MFA as the principal co-ordinator of development assistance; within the ministry, this issue was entrusted to the Department of International Economic Co-operation (OMES). In 2001, the ministry set up the ODA Co-ordination Committee as an expert advisory body to the Minister of Foreign Affairs. The committee comprises representatives of select

central state administration organs and organisations operating in the field of development assistance. The committee issues recommendations for the Minister of Foreign Affairs regarding current ODA issues, submits information on assistance provided, and participates in preparing fundamental strategic documents regarding ODA. The plenipotentiary for ODA and the chairman of the ODA Co-ordination Committee is the state secretary of the Ministry of Foreign Affairs; until 2006, it was József Berényi, who was replaced by Olga Algayerová after the 2006 parliamentary elections.

Currently, the Department of Development Co-operation and Humanitarian Aid (OPRO) in the MFA's Section of International Organisations and Development Assistance is primarily responsible for development assistance. Besides the Ministry of Foreign Affairs, the ministries of interior, environment, agriculture and education participate in ODA administration.

In 2003, the cabinet adopted the *Mid-Term Strategy of Official Development Assistance for 2003-2008*, a strategic document that defined basic goals, motivations and principles, as well as the sectoral and territorial priorities of Slovakia's development assistance. According to the document, basic motivations for Slovakia's development assistance include: co-responsibility for global development, moral commitments and obligations ensuing from the country's membership in international organisations and initiatives, and its interest in becoming part of the donor community.

The strategy document also set five core goals. The most important was "transfer of Slovakia's experience and know-how", followed by the "engagement of Slovak experts in international development activities and mechanisms; engagement of Slovak subjects in international development projects; strengthening economic co-operation with developing countries; and helping communities of expatriate Slovaks abroad".

The importance of democracy assistance in the overall concept of development assistance may be documented not only by placing the "transfer of Slovakia's experience and know-how" at the top of the hierarchy of goals, but also by its official justification: "The Slovak Republic has a particular experience that is not shared by traditional donors. Within this transformation, Slovakia underwent changes in all sectors of society (politics, economy, social sphere, etc). The transfer of this experience to countries currently undergoing the process will consolidate Slovakia's political and economic ties with these countries."

This importance was manifested even more strongly in defining sectoral priorities stemming from Slovakia's comparative advantages over other donor countries. The document defined three priorities, including "developing democracy institutions and market environment" as the top priority; the remaining two were "infrastructure" and "landscaping, environmental protection, agriculture, food safety, and use of raw materials". The document specified that in the area of building democracy institutions "the comparative advantages of the Slovak Republic result mainly from the unique experience the Slovak

Republic has acquired since 1989. This know-how could be passed on to countries that are currently undergoing similar development. More specifically, it is about developing a market economy, changing ownership structures, creating a business environment, and reforming the public sector (i.e. managing public finances, reforming public administration and public service)".

The *Mid-Term Strategy of Official Development Assistance for 2003-2008* suggested that a broad spectrum of institutions and organisations from Slovakia should take part in the process of outlining and implementing development assistance; the document paid particular attention to NGOs, describing co-operation with them as "indispensable". Besides their political independence that allows NGOs to enter territories that are politically too sensitive or even undesirable to enter for government institutions, the document spelled out other important arguments in favour of their participation in development assistance: well-developed networks of international partners, previous experience with similar activities in Slovakia, and the ability to pool together governmental and non-governmental funds.

Based on this principal strategic document, the cabinet annually elaborates the *National Programme of Development Assistance* that outlines specific activities for each year.

The *Mid-Term Strategy of Official Development Assistance for 2003-2008* defined 13 countries that would be the principal focus of Slovakia's development assistance. One of them - namely Serbia and Montenegro - was defined as the so-called programme country with which the Slovak Republic signed a Memorandum of Understanding; subsequently, in 2003, the MFA elaborated the *Country Strategy Paper on Slovak Official Development Assistance to the State Union of Serbia and Montenegro*. In 2007, the Slovak Republic concluded two separate agreements on development co-operation with Serbia and Montenegro. The list of countries covered by Slovak ODA included Bosnia and Herzegovina.

In 2003, Ukraine and Belarus did not rank among the territorial priorities of Slovakia's ODA because aiding these countries could not be qualified as development assistance. Therefore, both countries were placed under the category of official assistance (OA). In 2004, the government allocated SKK 10m (€ 0.26m) from the National ODA Project to OA projects in both countries. This model was repeatedly used in 2005; the assistance was aimed primarily at developing democracy institutions and civil society.

In 2003, the government set up two special implementation units entrusted with administering Slovakia's development assistance:

1. The Bratislava-Belgrade Fund (BBF) for implementation of projects in the programme country of Serbia and Montenegro.

2. The Slovak-UNDP Trust Fund, established by a joint memorandum with the United Nations Development Programme (UNDP) that has its regional centre for Europe and the CIS

in Bratislava, for implementation of projects in all other countries. Founding the Slovak-UNDP Trust Fund effectively laid the institutional groundwork for Slovakia's ODA.

The Slovak-UNDP Trust Fund administered ODA projects in 12 countries as well as OA projects in Ukraine and Belarus; the Administrative and Contracting Unit (ACU) was set up at the UNDP regional centre. Administration of projects implemented by the BBF was entrusted to the Civil Society Development Foundation (NPOA) that won the public tender to set up the ACU for Serbia and Montenegro.

These two funds administered all of Slovakia's ODA and OA projects between 2004 and 2006, and BBF and the Slovak-UNDP Trust Fund were responsible for the completion of these projects until the end of their duration (2007-2008).

On 1 January 2007, the Slovak Agency for International Development Co-operation (SAMRS) launched its operations; the agency was established by the Slovak government resolution from September 2006 as a budgetary organisation of the MFA: the agency's director is appointed and removed by the Minister of Foreign Affairs. While programme management of development assistance was entrusted to the MFA, the agency will take care of project management. The agency started its grant-making activities in August 2007, and administers projects in all recipient countries of Slovakia's development assistance, previously covered by the BBF and the Slovak-UNDP Trust Fund.

In December 2007, the Slovak parliament approved the *Law on Official Development Assistance*. The bill proceeds from priorities defined in the *European Consensus on Development*. It introduces the definition of ODA as "activities and measures undertaken to support sustainable development in developing countries". It states that "the Slovak Republic offers its ODA on the basis of the principles of international development policy, including the development policy of the EU, and it is guided by the obligations ensuing from international treaties and agreements on ODA as well as by obligations adopted by international organisations".

The law refers to the following goals of Slovak ODA implemented in developing countries: poverty and hunger reduction, support for sustainable economic, social and environmental development, keeping peace and security in the world through the strengthening of democracy, the rule of law, human rights and good governance, support for universal access to education, improvement of basic healthcare services, and support for economic co-operation. According to the law, the MFA is responsible for "co-ordination and harmonisation of national ODA with the ODA of EU member states and with the ODA of the EU". The document mentions the five-year mid-term strategy as the main planning instrument of ODA.

The political framework of Slovakia's ODA/OA

Slovakia's foreign policy activities aimed at supporting democracy were defined by the *Mid-Term Strategy of Foreign Policy of the Slovak Republic until 2015* that was approved in November 2004. The document states that "the axioms of foreign policy of the Slovak Republic include respect for international law, extending space for democracy, freedom, peace, stability and prosperity, and promoting fundamental human rights and solidarity among nations". According to the document, "the programme of development assistance, SlovakAid, supports the development of relations with recipient countries to which Slovakia may offer material aid and transfer its experience of the process of democratic transition".

In November 2005, State Secretary at the Ministry of Foreign Affairs Magda Vašáryová declared that ODA was "an effective tool of promoting democracy and stability".

The socio-political framework for partnership between government institutions and NGOs in the field of development assistance was outlined by objectives formulated in government programme manifestos from 1998 ("the government shall further the establishment of partnership relations with the civic sector at all levels of public affairs administration") and 2002 ("the government views the non-governmental sector as an important pillar and part of free civil society, which is why it continues to be open to a partnership dialogue"). These objectives were endorsed by the current administration whose programme manifesto from 2006 states that "the Slovak government considers the third sector an important pillar of society and part of a free civil society. Being fully aware of the importance of developing civil society, it shall conduct a partnership dialogue with particular constituents and platforms of civil society in order to create a quality economic and legal environment."²

The *Orientation of Slovakia's Foreign Policy for 2007*, elaborated by the MFA, states: "Foreign policy priorities of the Slovak Republic clearly include an active policy in the field of human rights and individual freedoms, including rights of minority groups. The Slovak Republic intends to maintain this principal course while holding chairmanship of the Council of Europe between November 2007 and May 2008. The Slovak Republic shall continue to further this aspect of its foreign policy in co-operation with the non-governmental sector."

In *Orientation of Slovakia's Foreign Policy for 2008*, it is stated that the basic framework of Slovakia's foreign policy is determined by its membership in the Euro-Atlantic community and by its long-term national interests. Development assistance is defined as "Slovakia's duty", and as an expression of solidarity with those who are poorer and weaker.

The document argues that ODA can also be an efficient tool for presenting and reaching the goals of foreign policy and national interests; it also refers to the human rights aspect

of Slovakia's foreign policy in the context of the country's responsibility as the presiding state of the Council of Europe's Committee of Ministers.

There is a separate chapter about ODA. It states that the amount of funds available for ODA (the document refers to 0.10% - 0.12% of GDP; however, according to the official data of the MFA, in reality in 2007 it was only 0.093% of GDP) does not enable the Slovak Republic to fulfil its agreed international obligations (for ODA spending to reach 0.17% of GDP in 2010 and 0.33% of GDP in 2015). That is why, it continues, it is necessary to intensify domestic efforts to increase the amount of funds.

According to the document, the Slovak Republic will continue to concentrate its development activities in several countries and sectors, and in the new strategy for 2009-2013 that should be elaborated in 2008 it will consider orientation to maximum two-to-three sectors of co-operation in the partner states (however, these sectors are not clarified). The current sectoral orientation of Slovak ODA is defined in the document as "substantially dispersed", and the solution, it is cited, lies in "implementing the economic dimension of development projects", emphasizing that through ODA projects the possibility arises to involve Slovak businesses in development co-operation which can make possible the entry of Slovak small and medium-sized companies into local markets.

Slovak NGOs operating in the field of development assistance strive to co-ordinate their activities. In September 2002, they established PMVRO as an informal association of NGOs operating in this field. In 2003, PMVRO was officially registered as an association of legal persons; currently, it associates 33 organisations (25 full-fledged members and 8 observers).

PMVRO is represented in the ODA Co-ordination Committee that acts as an expert advisory body to the Minister of Foreign Affairs; its representatives also sit on the executive boards of the Slovak-UNDP Trust Fund and the Bratislava-Belgrade Fund. A representative of the platform is a member of the project commission of SAMRS.

Representatives of the platform held three meetings with MFA high officials - two meetings with the Minister of Foreign Affairs, Ján Kubiš, in 2007 and one meeting with state secretary Olga Algayerová in 2008. Both officials confirmed that they recognise NGOs as "important partners helping to make Slovak ODA more efficient". The platform has elaborated and submitted to the MFA its evaluation of the current mid-term strategy of Slovak ODA and made suggestions for the elaboration of a new strategy.

As regards relations between government officials and NGOs involved in the implementation of development projects, including democracy assistance ones, certain concerns arose in the country's non-governmental sector after Zdenko Cho, the newly appointed director of SAMRS, defined the situation in the area of development assistance in Slovakia at the conference "Trilateral Co-operation and Civil Society", organised by the Czech and

Dutch ministries of foreign affairs in Prague in October 2007, in the following way:

"We see now very problematic developments in some segments of the non-governmental sector, when something like a 'non-governmental industry' is being established here. Some NGOs in my country have developed into huge corporations with really commercial customs and practices. We consider this a problem, because co-operation with these kinds of organisations, especially in the field of development assistance, is quite critical. They simply do not have enough resources of their own for their functioning after having become accustomed in the past to the support of huge international donors, for instance USAID, or Canadian and other partners. Now they are concentrating on Slovak governmental sources. Of course, we have these big capitalists among NGOs within the entire non-governmental community in Slovakia".

Cho's remarks provoked a critical response from the NGO community. They were perceived as a signal about ongoing changes in the government's approach to priorities and partnerships in implementation of ODA. Further developments confirmed the NGOs' concerns in their entirety.

In May 2008, the chairman of PMVRO, Marián Čaučík, criticised SAMRS's performance, especially the lack of transparency in the grant-making process, as well as the general situation with Slovak ODA (namely insufficient financial support for bilateral projects). Cho immediately responded in a very strong manner. He categorically rejected PMVRO's allegations. He argued that the "professionalised" Slovak NGOs with their "sophisticated structures" were trying to "privatise" the country's development assistance. Symptomatically enough, he used the quotation marks in an ironic manner for the word *democratisation* when he described the activities of NGOs in the past ("idyllic times when the primary goal was **"democratisation"**). These public polemics revealed the continued tense relations between PMVRO and SAMRS, but it is too early to predict how damaging such tensions might be for co-operation between the government and NGOs in ODA implementation, and what effect it will have on the grant-making policies of SAMRS.

Cho was dismissed in July 2008 due to "unsatisfactory managerial performance". Reports appeared in the Slovak media that during the grant-making process at SAMRS favouritism was being exercised towards certain business interests. His dismissal opens up the possibility for an improvement in relations between SAMRS and Slovak NGOs, as well as for a decrease in the level of commercialisation of ODA. In September 2008, Ivan Surkoš, Slovakia's former general consul to the US, was named as the new director.

Financial framework of Slovakia's ODA/OA

In financial terms, total development assistance provided by the Slovak Republic amounted to SKK 910.5m (€ 23.47m) in 2004 (0.072% of GDP), SKK 1,739.6m (€ 45.96m) in 2005 (0.120% of GDP), SKK 1,638m (€ 47.38m) in 2006 (0.103% of GDP), and SKK

1,652m (€ 49.16m) in 2007 (0.093% of GDP). Development assistance includes projects implemented via the MFA (so-called bilateral assistance that consumes approximately 10% of total funds allocated to ODA), humanitarian aid abroad, Slovakia's contributions to international organisations and programmes, studies of foreign students at Slovak universities, and remittance of debt to developing countries.

Financial aspects of ODA provided via the Ministry of Foreign Affairs

2004-2006

Between 2004 and 2006, the government earmarked a total of **SKK 312.371m** for the **Slovak-UNDP Trust Fund**: SKK 100m in 2004, SKK 102.661m in 2005, and SKK 109.710m in 2006. Of that total, SKK 30m was allocated to Ukraine and Belarus as OA in 2004-2005 and as ODA since 2006. In 2005, the government launched a model of providing micro-grants allocated via the Slovak Republic's embassies in two countries - Ukraine (SKK 1m for projects not exceeding SKK 200,000 administered by the Slovak Fund for Local Initiatives in Ukraine) and Bosnia and Herzegovina (SKK 1m for projects not exceeding SKK 200,000 administered by the Slovak Fund for Local Initiatives in Bosnia and Herzegovina).

Over the same period, the **Bratislava-Belgrade Fund** that administered development assistance in the 'programme' country of Serbia and Montenegro was supported by **SKK 168.776m**: SKK 60.776m in 2004, SKK 58m in 2005, and SKK 50m in 2006.³

Overall, Slovakia allocated **SKK 481.147m** to official development assistance provided via the Ministry of Foreign Affairs between 2004 and 2006.

2007

In 2007, ODA administered by the newly created **SAMRS** was funded to the tune of **SKK 168.744m** (including SKK 101m for Serbia and Montenegro, and SKK 65m for other countries).

The total amount of Slovakia's ODA provided via the MFA in 2004-2007 was **SKK 649.891m**.

Democracy assistance projects supported by the Bratislava-Belgrade Fund (2004-2006)

In four grant rounds between 2004 and 2006, the BBF supported 65 projects in Serbia and Montenegro to a total amount of SKK 168.776m.⁴ Of these projects, 20 fit the description of democracy assistance projects (i.e. building democratic institutions, improving public administration, supporting civil society, increasing public participation

in the political process, protecting human and minority rights and rights of disadvantaged population groups, promoting interethnic dialogue and education, encouraging development of independent media, promoting EU integration, etc). In addition, the BBF supported eight projects aimed at forming a market environment in local conditions (i.e. regional development, business activities, participation of certain population groups in market relations or adaptation to market conditions, etc), which may also be viewed as contributions to deepening the democratisation process in Serbia and Montenegro.

Of the 20 projects explicitly aimed at the democratisation of society, 17 were implemented by NGOs, two by academic institutions, and one by an association of local and regional government bodies.

Of eight projects aimed at the development of a market environment in local conditions, three projects were implemented by NGOs and five projects were implemented by government institutions and by businesses and business associations.

The 20 projects that directly supported democratic development received SKK 57.943m, which amounts to 34% of the total sum allocated to development assistance provided via the BBF. The eight projects that supported the introduction of market mechanisms and adaptation to market conditions received SKK 23.765m, which amounts to 14% of the total sum. Overall, the **Bratislava-Belgrade Fund** channelled **48%** of the total allocated funds to democracy assistance.

Democracy assistance projects supported by the Slovak-UNDP Trust Fund (2004-2006)

Between 2004 and 2006, the Slovak-UNDP Trust Fund supported 94 projects, 20 of which fit the description of democracy assistance projects (i.e. building democratic institutions and civil society, protecting human rights, encouraging development of independent media, promoting EU integration). Ten projects were aimed at supporting market development and forming a market environment, particularly introducing market elements to individual economic sectors.

A special category is represented by two projects administered by the Slovak embassies in Ukraine and Bosnia and Herzegovina (micro-grant schemes).

Of 20 projects aimed at supporting democratisation, 18 were implemented by NGOs and two by businesses. Of ten projects aimed at developing market mechanisms in individual economic sectors, two were implemented by NGOs, six by businesses, and two by state institutions. The 20 projects that directly supported democratic development received US\$ 1,763,626 (SKK 49.98m), which amounts to 16% of the total sum allocated to development assistance provided via the Slovak-UNDP Trust Fund. The ten projects that supported the introduction of market mechanisms to individual sectors of the economy

received US\$ 1,104,446, which amounts to 10% of the total sum. Overall, the **Slovak-UNDP Trust Fund** channelled **26%** of total allocated funds to democracy assistance.

Total share of democracy assistance on ODA/OA provided via the Ministry of Foreign Affairs in 2004-2006

Overall, **34%** of total funds allocated to ODA/OA schemes administered by the MFA (i.e. the Bratislava-Belgrade Fund and the Slovak-UNDP Trust Fund) were channelled to democracy assistance projects in 2004-2006.

Democracy assistance projects supported by Slovak Agency for International Development Co-operation (SAMRS) in 2007

In 2007, the newly established SAMRS commenced operations. It supported 52 projects, comprising 38 projects implemented in the target countries of Slovakia's ODA and 14 projects focused on Slovak ODA capacity-building, development education, and public awareness of ODA.

Two of the 17 projects approved for Serbia (the so-called "programme country") can be defined as projects in the field of democracy assistance (European integration, media), both of which were implemented by NGOs. Two of the three projects approved for Montenegro (the other so-called "programme country") can be defined as democracy assistance projects (European integration, development of local government): one of these projects is implemented by an NGO, and the second is implemented by a corporate entity (chamber of commerce). In total, out of 20 projects in Serbia and Montenegro, there are four democracy assistance projects.

The share of funds for democracy assistance projects in the **two "programme countries" (Serbia and Montenegro)** amounts to **14%** of total allocated funds administered by SAMRS in 2007.

For all other countries covered by Slovak ODA (the so-called "project countries"), including Ukraine, Belarus, and Bosnia and Herzegovina, SAMRS approved 18 projects. Of these projects, seven can be considered to be oriented to democracy assistance (six of these projects were implemented by NGOs, and one project was implemented by an academic institution). Three democracy assistance projects were implemented in Ukraine (development of market economy, corporate social responsibility, principles of civil society in schools), three projects in Belarus (economic reforms, development of local civil society, democratic principles in schools), and one project in Kazakhstan (political dialogue on transformation experience). In Bosnia and Herzegovina, no democracy assistance project was approved (one project was approved in the area of social-technical infrastructure).

Overall, **SAMRS** channelled **32%** of total allocated funds to democracy assistance in the **"project countries"**. In total, **27%** of funds allocated to all target countries by **SAMRS** in **2007** were allocated to democracy assistance projects.

Total share of democracy assistance project in 2004-2007

The total share of funds for all democracy assistance projects in all countries covered by Slovakia's ODA in **2004-2007** supported by **BBF, Slovak-UNDP Trust Fund and SAMRS**, was **32%** of allocated ODA funds.

Distribution of democracy assistance projects provided via the Ministry of Foreign Affairs (Slovak ODA) in particular countries

In 2004-2007, democracy assistance projects were implemented in the following countries:

| Country | Number of projects |
|--|--------------------|
| Serbia (including Kosovo) | 27 (76)* |
| Ukraine | 11 (11)* |
| Belarus | 8 (8)* |
| Montenegro | 5 (9)* |
| Afghanistan | 4 (9)* |
| Kazakhstan | 4 (14)* |
| Kenya | 3 (8)* |
| Kyrgyzstan | 3 (13)* |
| Bosnia and Herzegovina | 1 (8)* |
| Sudan | 1 (8)* |
| Macedonia | 1 (6)* |
| Total | 68 (198)** |
| * overall number of ODA projects for given country | |
| ** overall number of Slovakia's ODA projects | |

One joint project was implemented in several countries - Albania, Bosnia and Herzegovina, Macedonia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan (not included in the table).

In addition, four micro-projects in Ukraine and nine micro-projects in Bosnia and Herzegovina were implemented by the Slovak embassies through the special grant scheme.

A group of seven election observers was sent to monitor elections in Belarus and Ukraine (within Slovak OA).

Democracy assistance projects funded via special grant scheme of the Ministry of Foreign Affairs

In 2005-2007, the MFA, in the framework of its own special grant scheme, approved 60 projects in the area of international relations, foreign and security policy. Four of these projects can be included in the category of democracy assistance. All four projects were focused on Ukraine and granted to NGOs. All these projects were focused on the transfer of Slovakia's experience of accession to NATO. The total amount of funds allocated to these projects was **SKK 1.322m**.

Democracy Assistance: Approaches, Priorities, Focus, Partners, Donors

Activities related to democracy assistance hold an important place in Slovakia's system of bilateral assistance. Although there is no specific strategic document that deals exclusively with democracy assistance, the strategic document that outlines the country's position in the field of development assistance defines furthering democracy as a number-one priority. Its importance can be illustrated by the share of funds earmarked for democracy assistance projects from the total volume of funds allocated to Slovakia's development assistance.

In Slovakia, development assistance is viewed as an integral part of the country's foreign policy and is closely interconnected to its declared priorities, which is reflected in the territorial focus of Slovakia's democracy assistance. In a way, Slovakia replicates the model applied by the EU when furthering democratisation and reforms in candidate countries during the accession process; by leading them through this process, the EU helped itself by promoting in these countries the system of values on which the EU is built. Similarly, Slovakia considers the countries of the Western Balkans, Ukraine and potentially Belarus as future participants in the process of Euro-Atlantic integration, and therefore it strives to help them approximate to EU (and NATO) standards and practice.

It is very important that the Slovak Republic, as a full-fledged EU and NATO member, pursues an "open door" policy with respect to new candidates; the already mentioned *Orientation of Slovakia's Foreign Policy for 2007* reads: "The Slovak Republic shall continue to support further enlargement of the EU because it significantly contributes to extending the zone of democracy, stability and prosperity in Europe." This foreign policy priority in general creates favourable conditions for the continuation of democracy assistance via supporting projects aimed at helping potential candidate countries prepare to join the EU and NATO.

The chapter on ODA in the same document did not explicitly describe activities aimed at strengthening democratic principles; it stated only that "Slovakia's development assistance in priority countries should focus more narrowly on particular sectors," without further specification.

The *Orientation of Slovakia's Foreign Policy for 2008* speaks about the necessity to co-ordinate the MFA's ODA activities with other ministries and "Slovak implementing agencies", and to involve the "widest possible spectrum of Slovak society" in these activities. However, in its chapter on ODA, the document contains neither any reference to NGOs nor any references to democracy assistance as one of the sectoral priorities of Slovak ODA. In its chapter on human rights, the document emphasizes the need for the co-participation of NGOs and civil society in the activities of the Council of Europe, and contains the promise that Slovakia will openly reveal any cases of violation of human rights in EC member states and will demand their resolution.

The document characterises one of the aims of Slovak foreign policy as "strengthening the overall authority of the EU as a space of freedom, democracy, solidarity, rule of law, and respect for human rights". It declares support for the policy of EU enlargement and NATO "open doors", which could have an impact on the orientation and character of activities in the field of democracy assistance in relation to some recipient countries.

Between 2004 and 2006, an essential part of democracy assistance provided within the ODA framework focused on carrying out necessary structural reforms and strengthening civil society. The 'reform' drive stemmed from the experience accumulated while carrying out a number of structural reforms in Slovakia after 1998, but especially between 2002 and 2006.

The focus on supporting civil society ensued largely from the fact that NGOs played a vital role in pursuing activities aimed at democracy assistance; in fact, most of such projects in Slovakia were implemented by local NGOs, which subsequently helped form partnerships between the government and the non-governmental sector.

A crucial part of activities pursued within the framework of democracy assistance projects represented educational projects and events for professionals and experts such as various

seminars, workshops, conferences, training events, and study visits. This was largely related to the fact that think-tanks and other NGOs with ample experience in the field of analytical work played an active role in implementing these projects.

In the publicised conditions for project applicants, in 2007 SAMRS defined the sectoral priorities of Slovak ODA.

For the so-called project countries, the priorities are as follows:

- building democratic institutions and market environment
- reconstruction of local infrastructure (including social) and its development
- landscaping, environmental protection, agriculture, food safety and use of raw materials.

For the so called programme countries (Serbia and Montenegro), the priorities are:

- development of civil society, social renovation and regional development
- reconstruction of local infrastructure and its development
- assistance with integration into international organisations, such as the World Trade Organization (WTO) and EU.

Democracy assistance activities still feature among the priorities of Slovakia's ODA (they include the first priority for both the project countries and programme countries, and partially the third priority for programme countries), but the different financial allocations for the projects, supported within all the stated priorities, reveals the general preference for infrastructure projects. These projects can be funded up to a maximum of SKK 7m, while all other projects (including democracy assistance) are subject to a maximum of SKK 3.5m.

A preliminary analysis of the grant-making operations of SAMRS in 2007, and a comparison with the operation of the BBF in 2004-2006, shows that support for democracy assistance projects in the programme countries (Serbia and Montenegro) substantially decreased - from 48% (BBF) to 14% (SAMRS) of all allocated funds.

However, a comparison of the grant-making operations of SAMRS and the Slovak-UNDP Trust Fund shows a slight increase in the share of support for democracy assistance projects in the "project countries" - from 26% (Slovak-UNDP Trust Fund) to 32% (SAMRS) of the allocated funds. But, overall, the share of support for democracy assistance projects within Slovakia's bilateral ODA decreased from 34% in 2004-2006 to 27% in 2007.

As far as the project implementers are concerned, in the case of Serbia and Montenegro, a decrease in the number of democracy assistance projects automatically led to a reduction in the number of NGOs supported by SAMRS. In the case of "project" countries, the

participation of NGOs still remains substantial (for example, in the context of almost all projects implemented in Ukraine and Belarus, as before).

The diminishing share of ODA funds spent on democracy assistance projects is a consequence of the huge prevalence of infrastructure projects implemented in Serbia. Only the continuing prioritisation of democracy assistance projects in Ukraine and Belarus prevented a dramatic decline.

Serbia as a programme country is currently the main recipient of Slovakia's ODA, both in total funds allocated and in the number of democracy assistance projects supported. Serbia's exclusive position and therefore its high ranking in democracy assistance statistics has so far been related to two main factors:

- Slovakia's strong advocacy for Serbia's ambitions to be included in the EU integration process
- The prevailing liberal-democratic orientation of ruling cabinets in Belgrade in recent years and their pro-European course.

Domestic and international turbulence over Kosovo's status issue could change the situation, although the formation of a new pro-EU government after the 2008 parliamentary elections in Serbia has lessened the tension. On the other hand, PMVRO, in its recommendations to the Slovak government about ODA, demanded the outright exclusion of Serbia from the list of recipient countries because Serbia is not a developing country (however, it is not realistic to expect that such a proposal will be implemented).

As regards continuity in co-operation between the government and the most experienced Slovak NGOs, the most substantial changes touched the projects approved by SAMRS for Serbia in September 2007, when only one organisation, known as one of the most skilful actors of ODA/democracy assistance, was successful. However, in further calls for proposals for projects in the so-called "project countries", almost all other "big fish" NGOs (with few exceptions), considered to be the most professional and efficient actors in the field of democracy assistance, were supported by SAMRS.

When pursuing activities in the field of development assistance, the MFA co-operates closely, in particular, with two foreign development agencies, namely the Canadian International Development Agency (CIDA) and the Austrian Development Agency (ADA).

Between 2004 and 2006, CIDA co-financed 30 development projects supported via the Slovak-UNDP Trust Fund and the Bratislava-Belgrade Fund: eight of these projects focused on democracy assistance, but none of them was implemented in countries included in the current survey. Over the same period, ADA co-financed three development projects supported via the two funds: one of them focused on democracy assistance, but was not implemented in countries included in this survey.

The activities of Slovak NGOs in the field of democracy assistance were financed also by several grant-making organisations from the United States and Europe, one Slovak foundation, and one foreign embassy in Slovakia, namely:

- US National Endowment for Democracy (projects in Belarus, Ukraine, Cuba, Afghanistan and Kosovo; recipients: Institute for Public Affairs (IVO), Pontis Foundation, People in Peril Association)
- German Marshall Fund of the United States (projects in Belarus and in Ukraine; recipient: IVO)
- International Republican Institute (projects in Iraq; recipients: IVO, Pontis Foundation)
- European Commission/European Initiative for Democracy and Human Rights (project in Belarus; recipient: Pontis Foundation)
- Center for a Free Cuba (projects in Cuba; recipient: People in Peril Association)
- US Embassy in Slovakia (project in Serbia, recipient: Pontis Foundation)
- Open Society Foundation in Slovakia (project in Serbia, recipient: Centre for European and North Atlantic Affairs).

In 2004-2006, the Open Society Foundation in Slovakia supported several projects within the framework of the *East-East: Partnership Beyond Borders* programme, which promotes "international exchanges that bring together civil society activists to share ideas, information, knowledge, experience and expertise, and supports practical action resulting from that networking" (this programme is one of the initiatives implemented by the Open Society Foundation (OSF) in London. It operates in all countries of Eastern and Central Europe, Turkey, Central Asia and Mongolia, responding to the needs of people in many diverse societies). The sub-programme for European integration prioritises co-operation among new EU member states, candidate and potential candidate countries, and the EU's eastern neighbours. OSF supported Slovak NGOs implementing projects in Serbia (including Kosovo), Bosnia and Herzegovina, and Moldova, and organised study trips to Slovakia for experts from Kazakhstan and Mongolia.

The Slovak Republic's official position on the European Instrument for Democracy and Human Rights (EIDHR II) is that this instrument of furthering democracy is sufficiently effective and flexible. After EIDHR I expired, the Slovak Republic endorsed a compromise version of a directive proposed by the European Parliament and the Council of Ministers in order to ensure continuity of financing projects to promote democracy and human rights in the world.

During the process of amending EIDHR, the Slovak Republic - along with other EU member states - supported a proposal seeking to limit the maximum amount of funds allocated to despatching election observation missions, which would free up extra funds for a broader spectrum of activities. Slovakia also advocated the idea that the instrument's new model should allow civil society subjects to operate on a broader scale and be more flexible in reacting to changing circumstances, as opposed to the model of long-term planning

according to geographical allocations. Currently, Slovakia's official position is that it is important to focus on amending the contents of EIDHR strategic documents and enhancing their subsequent practical implementation.

Ukraine

Official MFA documents justified the decision to include Ukraine in the list of target countries for official assistance projects by arguing that relations with Ukraine ranked among the priorities of the country's foreign policy. Slovakia's largest neighbour, Ukraine is currently undergoing a crucial process of internal reforms and is striving to become part of Euro-Atlantic groupings, which is why Slovakia deems it important to assist it in this process, particularly by sharing its own experience with transformation, democratisation and Euro-Atlantic integration.

Other important factors affecting the decision to place Ukraine on the list of countries eligible to receive assistance included cultural and linguistic proximity, the clearly pro-reform and pro-democratic orientation of the previous Slovak administration and its open sympathies towards similarly oriented political forces in Ukraine and the personal commitment of some government officials, including former prime minister Mikuláš Dzurinda, who repeatedly emphasized the necessity to help strengthen democratisation and pro-integration trends in Ukraine.

In recent years, Slovakia's foreign policy has begun to perceive Ukraine through the eyes of a full-fledged EU and NATO member, and with regard to Ukraine's relations with these organisations. The *Orientation of Foreign Policy for 2007* states: "Stability and prosperity on the European continent largely depends on the situation in Eastern Europe. Slovakia is an immediate neighbour of this region, which is why it intends to continue playing an active role in shaping the eastward policies of both the EU and NATO. Ukraine's Euro-Atlantic orientation is in Slovakia's best interests... The Slovak Republic intends to support the development of Ukraine, its democratic institutions and good neighbourly relations... It is in the strategic interest of the Slovak Republic that Ukraine continues in its European and Euro-Atlantic orientation and in the pro-integration course of its foreign policy. The Slovak Republic shall assist Ukraine in implementation of the EU-Ukraine Action Plan and the Annual Plan of Goals for 2007 with respect to NATO."

The MFA's *Orientation of Slovakia's Foreign Policy for 2008* emphasizes the continuity of intensive political dialogue, economic co-operation and development of cross-border co-operation. The document refers to Slovakia's Embassy in Kyiv, the contact embassy of NATO in Ukraine, as a tool for transfer of Slovakia's pre-accession Euro-Atlantic integration experience, including the experience of NGOs.

Between 2004 and 2007, the Slovak-UNDP Trust Fund and SAMRS supported 11 OA/ODA projects implemented in Ukraine. All these projects were aimed at strengthening the capacities of civil society, improving the performance of democratic institutions and the market economy, enhancing the quality of public administration and regional development, intensifying the process of Ukraine's approximation to the EU, strengthening the general reform course, and monitoring the electoral process. All projects were carried out by NGOs.

Through the model of micro-grants allocated by the Slovak Republic's embassy in Ukraine, Slovakia also supported four projects of "democracy assistance" carried out by Ukrainian partner organisations on the local level (overall, Slovakia supported six projects, two of which were rather educational in nature).

Financially, Ukraine's share of the overall amount of funds allocated by Slovakia for ODA via the MFA in 2004-2007 was **3.00%** (SKK 19.347m out of SKK 649.891m.)⁵

Ukraine is ranked as the second country - after Serbia - in terms of the number of democracy assistance projects supported within Slovakia's ODA. All the approved projects in Ukraine are democracy assistance ones. Among them, there was a preponderance of projects dealing with the transfer of Slovakia's experience with accession to the EU and socio-economic reforms (almost all of ODA projects in Ukraine - 10 of the 11 - are run by NGOs).

All other democracy assistance projects in Ukraine, implemented by Slovak NGOs outside of ODA (supported either by the MFA from its special grant scheme or by foreign donors), deal with the issue of Euro-Atlanticism (NATO, transatlantic co-operation, support for Atlanticist directions in foreign and security policy among Ukrainian population, etc).

Projects financed within the framework of Slovakia's OA/ODA

The project, *Citizens for Fair Elections* (carried out by Občianske oko - Civic Eye - and approved in 2004), focused on monitoring preparations and the course of elections in the region of Transcarpathian Ukraine. Its purpose was to increase local inhabitants' confidence in the electoral process and reduce the risk of manipulations when processing election results.

The core goal of the project, *Partnership for European Integration of Ukraine: Strengthening Public Debate on EU* (carried out by the Slovak Foreign Policy Association (SFPA), and approved in 2004), was to strengthen Ukraine's capacities in the process of its EU integration, help make the public debate on Ukraine's foreign policy part of the broader public discourse on its democratic development, and transfer the knowledge and experience of Slovak think-tanks and NGOs to their Ukrainian partners.

The purpose of the project, *Transfer of Slovak Economic Reform Know-How to Ukrainian Pre- and Post-Elections Debates* (carried out by the Institute for Economic and Social Reforms - INEKO - and approved in 2004), was to help accelerate economic growth and reduce poverty in Ukraine through improving economic reform and policy-making. The project strove to enrich pre-election debates by sharing the experience of Slovakia and other transition countries, and analysing the programmes of individual candidates and initial measures of the new administration in the field of socio-economic reforms.

The basic intention of the project, *Stronger Civil Society in Ukraine - Better Wider EU Neighbourhood* (carried out by Academia Istropolitana Nova, and approved in 2004) was to strengthen the capacities of civil society as the government's partner in shaping public policies and accelerating Ukraine's EU integration through training experts operating within the country's NGO sector.

Citizens for Transparent Elections (carried out by the Občianske oko - Civic Eye, and approved in 2005) focused on monitoring preparations and the course of elections in the region of Transcarpathian Ukraine. An integral part of the project comprised the activities of election observers and meetings of experts dedicated to the electoral process.

Support to Building of Local Democracy in Ukraine (carried out by the Centre for Macroeconomic and Social Analyses - MESA10, and approved in 2005) was designed to help share the experience with public administration reform and other structural reforms carried out in Slovakia in the public discourse about reforms in Ukraine.

Strengthening the Capacities of Civil Society in Eastern Regions of Ukraine (carried out by People in Peril Association, and approved in 2005) focused on improving the professional skills of activists of Ukrainian NGOs and transferring the experience of Slovak NGOs to their Ukrainian partners. The project included study trips and trainings.

School and Civil Society (carried out by the Centre for European Policy, and approved in 2007) focused on increasing the knowledge about political, economic and legal aspects of building civil society and EU integration processes among teachers and school curriculum developers in the Poltava region. The project included seminars in Slovakia and Ukraine as well as study trips of experts.

Support of Competitiveness of Cross-Border Regions in Ukraine under the Conditions of a Market Economy (carried out by MESA10, and approved in 2007) focused on strengthening the capacities of local public administration institutions in marginal, depressed or otherwise complicated regions. The project includes elaboration of analysis and policy recommendations, study trips and workshops.

Increasing the Social Responsibilities of Companies, carried out by the Slovak Center for Communication and Development, was approved in 2007.

Projects implemented in the framework of the Slovak Fund for Local Initiatives in Ukraine (micro-grants)

The Slovak Republic's embassy in Kyiv supported within the scheme of micro-grants the following projects: *Ukraine on its Way to the Euro-Atlantic Community* (Institute for Social Transformation, Kyiv), *Establishing NATO Information Points in Regional Universities' Libraries* (Democracy Action/Citizens' League Ukraine-NATO, Kyiv), *International Competition of Pupils' and Student Works on Human Rights* (Ukrainian Section of International Organization of Human Rights, Kyiv), *Slovak Reforms in the Eyes of Ukrainian Youth* (Association to Support International Co-operation, Kremenchug).

Projects supported via special grant scheme of the Ministry of Foreign Affairs

The project, *Analysis of Public Opinion Polls Conducted in Ukraine about NATO, Foreign Policy and Security Issues* (carried out by the Institute for Public Affairs (IVO), and approved in 2005), included analysis of opinion polls conducted in Ukraine by IVO's partner organisation. The results of the analysis were used by Ukrainian experts and activists engaged in activities to raise awareness about NATO among the Ukrainian public.

Support for Raising Public Awareness about NATO in Ukraine: Slovakia's Experience, approved in 2007, is a joint project of IVO (leading organisation), SPPA, and the Centre for European and North Atlantic Affairs (CENAA). The project included seminars and training events about NATO and Slovakia's accession to NATO, conducted for Ukrainian experts in three Ukrainian cities.

The aim of *Slovakia to Ukraine: Building Bridges to Future Generations* (carried out by the Euro-Atlantic Center, and approved in 2007) was to increase the level of public knowledge about NATO in Ukraine.

NATO and Security as a Necessary Part of Slovak and Ukrainian Academic Studies (carried out by the Euro-Atlantic Center, and approved in 2007), sought to initiate and design a system of co-operation between Slovak and Ukrainian academic institutions in order to modernise university curricula and include security issues into the teaching process and research work.

Projects implemented by Slovak NGOs outside the framework of Slovak OA/ODA, with support from external donors and in co-operation with Ukrainian partners

Ukrainians Stand Behind Euro-Atlantic Values: Ignorance is not Bliss, supported by the National Endowment for Democracy (USA) and implemented in 2006-2007. The leading organisation was the Democratic Initiatives Foundation (Ukraine), and the partner in

Slovakia was IVO. IVO helped to share Slovakia's experience in the country's preparation for membership of NATO, specifically activities focused on increasing public support for membership.

Endorsing the Transatlantic Debate, Promoting Transatlantic Values, and Strengthening the Euro-Atlantic Vector in Ukraine, supported by the German Marshall Fund of the US, was implemented in 2008 by IVO. The main goal of the project was to assist Ukrainian NGO representatives, as well as other public and independent actors (journalists, experts, teachers, etc.), in promoting a national debate on the future orientation of Ukraine.

Belarus

The Slovak Republic initially provided OA to Belarus, but after the OECD Development Assistance Committee in 2006 re-evaluated the status of Belarus and Ukraine, both countries became eligible to receive ODA. Belarus was included in the programme of Slovakia's development assistance because it is officially considered one of Slovakia's foreign policy priorities. During the period under examination, Belarus held presidential elections that were crucial from the viewpoint of the country's future development. The Slovak Republic's highest officials, including Prime Minister Mikuláš Dzurinda and representatives of the Slovak Parliament, repeatedly criticised the situation in the field of human rights protection in Belarus and expressed unambiguous support for democratisation. This attitude signalled the existence of a favourable political environment for the implementation of projects aimed at democratisation and the development of civil society in Belarus.

In previous years, several Slovak NGOs had gained ample experience of co-operating with civil society representatives in Belarus, and had carried out their own projects there, which also served as an important factor in favour of including the country in the list of recipients of Slovakia's ODA.

The *Orientation of Slovakia's Foreign Policy for 2007* states: "The Slovak Republic shall continue to support democratic forces in Belarus in their endeavour to uphold human and political rights, and simultaneously develop bilateral relations within the framework of EU policies ... The Slovak Republic shall continue to pursue a balanced policy of reacting to [Belarus's] internal political situation, which suffers from a deficit of democratic principles and international isolation of the country. The Slovak Republic shall continue to lead a restricted dialogue with the government and support development of democracy and civil society."

In *Orientation of Slovakia's Foreign Policy for 2008*, it is mentioned that the Slovak Republic wants to continue to participate actively in the formation and implementation of EU

policy toward Belarus, and that a core starting point in this will be “a balanced policy toward individual sections of Belarusian society”. Efforts to bring Belarus closer to European values will belong to Slovakia’s priorities in 2008. The document emphasizes the special interest of the Slovak Republic, as the country holding the Presidency of the Council of Europe in 2008, in activities that would help to “change Belarus’s stances towards fulfilment of the criteria for its membership in the Council of Europe”.

Between 2004 and 2007, the Slovak-UNDP Trust Fund and SAMRS supported eight projects implemented in Belarus. All of them focused on developing civil society and democracy, strengthening the capacities of Belarus’s independent expert community, and preparing strategies for socio-economic reform. Seven projects were carried out by NGOs; one project was implemented by an academic institution.

Financially, Belarus’s share of the overall amount of funds allocated by Slovakia for ODA via the MFA in 2004-2007 was **2.14%** (SKK 13.956m out of SKK 649.891m).⁶

Belarus ranks third place in the list of countries by number of democracy assistance projects supported within Slovakia’s ODA. Seven of the eight projects in Belarus were implemented by NGOs, and civil society development and expert co-operation in the preparation of socio-economic reforms were the dominant thematic orientation of the projects.

Projects financed within the framework of Slovakia’s OA/ODA

Slovak-Belarus Task Force on Economic Reform (carried out by the Pontis Foundation, approved in 2004). The goal was to strengthen the links among independent think-tanks and civil society in order to define viable economic reform strategies for the post-Lukashenko era. The intention was to establish a new channel for closer co-operation between Slovakia, a new EU member state, and Belarusian democratic forces to transfer policy reform know-how from Slovakia to Belarus and to share experience between civil society groups in both countries.

Trainer Capacity Building (carried out by the Forum Information Center/Forum Institute, approved in 2004). The objective of the project was to increase democratic political competition in Belarus through the promotion of a democratic alternative - young political elite. The intention was to create a team of professional trainers who would be able to help in preparing young political leaders (specifically in the area of communications).

Building Capacities of Analytical Community in Belarus (carried out by the Pontis Foundation, approved in 2006). The goal was to address the identified needs for capacity building of the analytical sector in Belarus by creating a flexible grant support scheme for making possible the work of independent young researchers, scholars and outstanding students in Belarus. Via provision of travel grants, the project should enable the message of alternative reform policies to reach civil society in Belarus.

Your Svetlogorsk - Sustainable Development in Rural Belarus (carried out by ETP Slovakia - Center for Sustainable Development, approved in 2006). The purpose of the project was support for community development in south-eastern Belarus using the experience of similar projects implemented in Slovakia, creating the conditions for sustainable economic activities at the local level, and strengthening local civil society actors.

NGO Capacity-Building (carried out by the Civic Communication and Conflict Resolution Group, approved in 2006). The goal was to strengthen the capacities of local civil society, and to promote dialogue with citizens on the regional and local level before the municipal elections.

Renewing the Svetlogorsk Sea Region through the Engagement of Local Inhabitants for its Protection (carried out by ETP Slovakia - Center for Sustainable Development, approved in 2007) focused on the creation of better conditions for local development in south-eastern Belarus (environment protection, tourism) through increasing citizens’ participation.

Development of University Education on the Basis of Democratic Principles and Values (carried out by the Institute for International Relations and Approximation of Law at the Faculty of Law of Comenius University, Bratislava, approved in 2007) focused on the transfer to Belarusian students of Slovakia’s experience of EU integration. Projects included trips to Slovakia by Belarusian students, lectures by Slovak university teachers in Belarus, and publication of a book resulting from the project.

Support for Public Dialogue about Reforms (carried out by Pontis Foundation, approved in 2007).

Projects implemented by Slovak NGOs outside the framework of Slovak OA/ODA, with support from external donors and in co-operation with Belarusian partners

Support for Civic Campaign before Presidential Elections in Belarus, implemented by IVO in co-operation with Pontis Foundation and supported by the National Endowment for Democracy, USA, in 2005-2006. The aim of the project was to improve the sociological expertise of activists of a civic campaign focused on reaching high civic mobilisation.

Belarus after Presidential Election: Policy Alternatives for a New Era, implemented by IVO in 2005-2006 and supported by the German Marshall Fund of the US. The purpose was to help share the experience of Slovakia’s democratic transformation with the Belarusian public.

Building Capacity of Youth Analytical Community in Belarus, implemented by the Pontis Foundation in co-operation with Belarusian partner organisation, Third Way, and supported by the European Commission through the European Initiative for Democracy and

Human Rights in 2006. The goal of the project was to contribute to the transformation of society via the creation of a community of young experts using the method of virtual discussion forum and uncensored analysis.

Bosnia and Herzegovina

The region of the Western Balkans is one of the priority areas of Slovakia's foreign policy. The importance of the Western Balkans to Slovakia's diplomacy ensues from the fact that the situation in this region has an "essential impact on the stability and future development of Central Europe" and that there are historical ties between Slovakia and this region that take many forms, including the form of "traditionally good bilateral relations". According to *Orientation of Foreign Policy for 2007*, the Slovak Republic intends to support the "Euro-Atlantic ambitions of Western Balkan [countries]".

The main beneficiary of Slovakia's development assistance in the region has been Serbia and Montenegro (and the two successor states), which was defined as the so-called "programme" country to which development assistance was channelled via a special institution, namely the Bratislava-Belgrade Fund.

Western Balkans countries defined as so-called "project" countries for Slovakia's development assistance include Bosnia and Herzegovina, along with Macedonia and Albania. The *Orientation of Foreign Policy for 2007* declares that "the Slovak Republic shall continue to support the integration ambitions of Bosnia and Herzegovina with respect to the EU, whose fulfilment depends on adopting constitutional changes and other reforms". According to the document, "the main goal of supporting the integration ambitions of Bosnia and Herzegovina is the stability of the entire Western Balkans region where Bosnia and Herzegovina will play a pivotal role once a major step towards solving the Kosovo issue is taken... Slovak diplomacy shall continue to co-operate with the non-governmental sector [in the country] in order to strengthen democratic institutions in Bosnia and Herzegovina which, in combination with diplomatic stabilisation efforts, provides a significant guarantee of the European development of Bosnia and Herzegovina".

Overall, eight projects were carried out in Bosnia and Herzegovina within the framework of Slovakia's ODA; one of them can be described as a democracy assistance project (another project related to Bosnia and Herzegovina was a joint project covering several countries). Besides, the Slovak Republic's Embassy in Bosnia and Herzegovina supported 12 projects through micro-grants channelled via the Slovak Fund for Local Initiatives in Bosnia and Herzegovina; nine of them fit the description of democracy assistance projects, i.e. democratisation, Euro-Atlantic integration.

From the point of view of the significance of support for democracy assistance projects, Bosnia and Herzegovina is in a *de facto* marginal position. Financially, Bosnia and Herzegovina's share of the overall amount of funds allocated by Slovakia for ODA via the MFA in 2004-2007 was **2.65%** (SKK 16.9m out of SKK 649.891m.)⁷

Projects financed within the framework of Slovakia's ODA

Bridges to Balkans (carried out by the Center for European Policy, approved in 2004). The aim of the project was to facilitate reforms in Bosnia and Herzegovina (BiH) and EU-BiH relations by creating an EU experts' network, consisting of public sector officials and NGO representatives.

How to be a Better Policy Adviser (carried out by NISPAcee - Network of Institutes and Schools of Public Administration in Central and Eastern Europe - and implemented as a common project in Bosnia and Herzegovina, Albania, Macedonia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, and approved in 2004). The aim of the project was to increase the professional skills of public administration representatives and employees through training provided by Slovak experts.

Projects implemented in the framework of the Slovak Fund for Local Initiatives in Bosnia and Herzegovina (micro-grants)

Within the scheme of micro-grants, the Slovak Republic's embassy in Sarajevo supported the following projects focused on development of civil society, democratisation, interethnic dialogue and European integration: *The Life of Youth in a Country that Becomes an EU Member* ("Education Builds Bosnia and Herzegovina" Association), *Day of Europe - Bosnia and Herzegovina for Europe* (European Movement in Bosnia and Herzegovina), *The Richness of Difference in Bosnia and Herzegovina - Capital and Investment for Common European Future* (European Unit in Bosnia and Herzegovina), *Why I am Going to Vote in the Coming Elections* (MOZAIK Foundation), *Half-Way House* (Cantonal Centre for Social Work), *Let Us Make Their Dreams Come True* (Women Association Viktorija 99), *Happy Gipsy Fair with A Few Tears and Rain Drops* (City Library), *International Festival of Folk Music and Dance* (KUD Kolovit), *Communication Bonton* ("Education Builds Bosnia and Herzegovina" Association).

Cuba

Cuba was not included in the list of countries that can benefit from Slovakia's ODA, so when implementing projects of democracy assistance in Cuba, Slovak NGOs have to rely exclusively on their own resources or financial support from their international

partners. Between 2002 and 2006, Slovakia's top officials (including former parliament chairman Pavol Hrušovský, former chairman of the Parliamentary Committee for Human Rights László Nagy and others), as well as representatives of the MFA, frequently criticised the situation in the field of human rights protection in Cuba and condemned repressive measures adopted by the Cuban regime with respect to civil rights activists and political dissidents. During this period, Slovakia was visited by a number of leading Cuban dissidents at the invitation of Slovak NGOs.

Generally speaking, Slovak NGOs specialising on Cuba could rely on a very friendly political environment for their activities between 2002 and 2006; many of them contributed to creating such an environment by demanding that the Slovak government adopt a stricter stance with respect to the undemocratic regime in Havana. For the Slovak Republic's unambiguously negative position on human rights violations in Cuba and maintaining contacts with Cuban dissidents, Cuban officials "punished" the Slovak Republic's Embassy in Havana by reducing the level of diplomatic contacts.

After the incumbent administration's inauguration in July 2006, some Slovak constitutional officials apparently began to deviate from the previously pursued foreign policy line of unambiguously criticising the undemocratic practices of the Cuban regime. First, Prime Minister Robert Fico attended a reception at the Cuban embassy in Bratislava on the occasion of the Revolution Day anniversary; later, President Ivan Gašparovič received the Cuban Ambassador despite the fact that the Slovak Republic's Ambassador in Havana is virtually ignored by the Cuban Ministry of Foreign Affairs as well as by top Cuban officials.

These measures were openly condemned by representatives of NGOs that specialise in democracy assistance to Cuba. Although the Slovak government has not adopted any measures designed to prevent the activities of Slovak NGOs in Cuba, the politically friendly environment from the period of 2002-2006 is gone.

This trend was confirmed by developments in 2007. Prime Minister Fico and Minister of Culture, Marek Maďarič, accepted the invitation of the Cuban Ambassador in Bratislava to a reception on the occasion of the Day of Cuban Revolution. This took place just a few days after two activists from Slovak NGOs - People in Peril Association and Civic Eye - were prevented from visiting Cuba (one of them was detained, and one was not allowed to leave Havana airport after arrival and was sent back to Europe). The Slovak MFA criticised the Cuban authorities, but the Prime Minister nevertheless accepted the invitation, rejecting the argument that by his personal presence at the reception he was supporting the undemocratic regime of Fidel Castro.

The attendance of high Slovak officials at the Cuban reception then encouraged the Cuban Ambassador to make extremely aggressive statements about the two above-mentioned cases, as well as generally about the activities of Slovak NGOs in Cuba. Fully in keeping

with the regime's official propaganda, the Cuban Ambassador accused Slovak NGOs of subversive activities that are allegedly a part of "the American war against Cuba" and financed from US funds. He argued that the Cuban authorities "would extradite from Cuba any person who comes to Cuba to introduce American interests regardless of whether [Minister of Foreign Affairs] Mr Kubiš will like it or not".

People in Peril Association released its own statement in which it refused any accusation of being a tool of US foreign policy and mentioned that the revenues of the organisation are predominantly domestic (78% of all funds, comprising 28% from citizens and 50% from Slovak ODA), while 6% came from the EU and 11% from USA (NED and Center for a Free Cuba). In a joint statement, Pontis Foundation and People in Peril Association condemned the participation of Prime Minister Fico at the Cuban reception, labelling it as offensive to the democracy activities of Slovak NGOs in Cuba and disrespectful of the solidarity displayed by Slovak citizens with persecuted individuals in Cuba.

In Slovakia, there are two NGOs that specifically focus on projects and activities in Cuba, namely People in Peril Association and Pontis Foundation.

Projects and activities implemented by People in Peril Association

Since 2002, People in Peril Association (PIPA) has pursued various activities aimed at supporting political prisoners and independent intellectuals in Cuba. Its projects focus on supporting families of political prisoners, distributing books to independent libraries, and circulating expert materials on Slovakia's transformation among independent intellectuals. PIPA sends out journalists and transformation experts to Cuba, and co-operates with independent Cuban teachers, economists, and informal educational centres. Donors supporting PIPA's activities in Cuba include the Center for a Free Cuba, a US-based NGO.

Distribution of humanitarian aid, prisoners of conscience adoptions, politicians' trips to Cuba

Between 2003 and the end of May 2006, PIPA sent 20 representatives and external collaborators to distribute financial aid raised during public collections to help families of prisoners of conscience. A total of 27 families have been supported financially through the distribution of more than SKK 430,000 (data at the beginning of January 2007 showed that more than 30 families had been supported to the tune of SKK 734,000 collected in co-operation with Pontis Foundation).

During each journey, representatives of PIPA collected information about the health and physical condition of the arrested persons, as well as the situation of their families. They also observed the work and needs of opposition groups - outlawed political parties and movements, independent unions, libraries, and journalist organisations. These groups were supported materially with professional literature and technical equipment.

Since the beginning of 2005, PIPA - in co-operation with Pontis Foundation - has launched a programme of adoption of prisoners of conscience and their families by Slovak politicians, firms, organisations or individuals. The families have been supported regularly by symbolic sums of money and essential medications. The health conditions of imprisoned dissidents have been monitored, as well as the way they are treated in prison. PIPA and Pontis Foundation have in this manner supported ten prisoners of conscience and their families.

Since 2004, PIPA has co-ordinated the visits of Slovak politicians to Cuba. Slovak visitors have met with representatives of Cuban dissident groups and independent democratic activists, expressing their support to them.

Supporting Cuba's independent expert community

In 2005, PIPA carried out a project called *Supporting Representatives of Independent Think-Tanks in Cuba*. The project's goal was to support the development of non-ideological research teams, stimulate critical thinking, create space for an open dialogue and free exchange of opinions, and initiate transfer of know-how from post-socialist Slovakia to socialist Cuba. As part of the project, two research groups - educational and economic - were formed; during weekend meetings with people from around the country that showed interest in specific areas, they collected views on issues defined in advance. The most tangible output of these meetings was the elaboration of two papers that featured proposals for changes in the field of education and economy. Commentaries on both papers were written by Slovak experts specialising in education and economy.

In 2006, PIPA implemented a project called the *Preparation of Independent Think-Tanks' Representatives for Cuba's Future Transition*. The project's main goal was to provide a platform for direct interaction between independent Cuban teachers and economists and Slovak experts in these areas. As part of the project, two Slovak experts in the field of education and economy travelled to Cuba where they lectured groups of independent intellectuals on the transformation of the education system and economy in Slovakia after 1989. Upon their return to Slovakia, the experts wrote studies on the current conditions in Cuba's education system and economy. Overall, 15 Cuban teachers and nine Cuban economists took part in the project. The outputs of their co-operation were published in the MONITOR Internet magazine.

In 2007, PIPA planned to prepare and distribute to informal educational centres and independent libraries in Cuba an educational publication called *Let's Discuss Global Issues!* The handbook that was designed primarily for independent Cuban teachers presented six universal issues: Poverty, Education, Health, Human Rights, Media, and the Environment. The goal of the project is to strengthen informal education in Cuba, broaden knowledge of young Cubans and, most importantly, support and encourage their capacity to think critically.

Activities of Pontis Foundation

The activities of the Pontis Foundation in Cuba are aimed at supporting the dissident movement and helping the families of imprisoned dissidents. The foundation closely co-operates with PIPA. It supplies forbidden literature and material aid to dissidents and organises collections in Slovakia to support civic activists and political prisoners' wives, particularly in the poorest regions of Cuba. The foundation initiated protest letters addressed to Cuban officials, co-organised visits of Cuban dissidents to Slovakia, and organised various events and happenings in support of persecuted dissidents. In 2005, it joined an international campaign in Europe and Latin America for democracy in Cuba. Owing to concerns about the safety of those concerned, the Pontis Foundation refuses to publish certain information on its activities in Cuba. In October 2007, Pontis announced that it collected (in co-operation with PIPA) SKK 704,000 for the support of political prisoners' families.

Leading Slovak NGOs Operating in the Field of Democracy Assistance

- Pontis Foundation
- People in Peril Association (PIPA)
- Institute for Public Affairs (IVO)
- Občianske oko (Civic Eye) Civic Association
- Slovak Foreign Policy Association (SFPA)
- INEKO (Institute for Economic and Social Reforms)
- MESA10 - Center for Economic and Social Analyses

Endnotes

¹ The Slovak Republic was the only Visegrad country that had to undergo a new struggle for democracy and over the fundamental character of its political regime after the collapse in 1989 of communist rule. Due to its troubled domestic development between 1994 and 1998, Slovakia failed to comply with political criteria for EU membership and was excluded from the first tier (the so-called Luxembourg group) of EU candidate countries. In Slovakia, the fundamental issue became the struggle for the character of the political regime. This struggle was characterised by the strong conflict between top state institutions, fierce confrontation between the governing coalition and the opposition, preparation, adoption and implementation of legislative and administrative initiatives designed to create an environment amenable to the concentration of political power in the hands of dominant political forces, the aggravation of conflicts between state institutions and civil society, tensions between official state power and ethnic minorities, and the abuse of organs of state power for the benefit of party interests and goals. It was not a standard political struggle between government and opposition conducted in compliance with generally accepted principles, but a struggle over the very nature of these principles. In 1994-1998, the EU several times warned the Slovak government that the country had demonstrated serious violations of the rule of law and signs of institutional instability as a result of practical steps by the cabinet and the ruling majority in the parliament. These steps included undemocratic methods in the creation of parliamentary organs, the abduction of the president's son, and the failed investigation of the state organs' involvement in the

crime, the expulsion of deputies from parliament, the obstruction of a referendum on direct presidential elections, disregard for rulings of the Constitutional Court, and the granting of amnesties (when the prime minister assumed the powers of the president due to the failure of parliament to elect a new president) for perpetrators of criminal acts politically connected to the government, etc.

2 Mutual relations between the current administration and the third sector began to deteriorate in autumn 2006 due to an attempt by the ruling three-party coalition to abolish the mechanism of tax assignation that allowed individuals as well as corporations to assign 2% of their income tax to NGOs of their choice. In reaction, Slovak NGOs launched a massive campaign called *People to People*. Eventually, the tax assignation mechanism as such was not abolished; however, NGOs specialising in human rights protection were excluded from the mechanism and then, under the continuing pressure of civil society actors, included again into the list of eligible NGOs by an amendment of the same law in November 2007.

3 In its project documentation, the BBF presented financial data in Slovak crowns (SKK), therefore in this report data about the projects financed by the BBF are mentioned in SKK. The exchange rate of SKK toward the Euro in 2004-2007 varied from ca. 33.00 to 41.00 SKK/EUR.

4 These projects included activities in different sectors. Besides democracy assistance projects, there were projects in building infrastructure (including road and bridge construction), running water and sewerage, gas equipment installation, alternative energy systems, agriculture, forestry, scientific research, education, etc.

5 According to official data, two sets of figures exist, one in US dollars and one in Slovak crowns, which need to be combined to reach the total figure. The amount of ODA allocated to Ukraine via the MFA in 2004-2007 amounted to US\$ 490,000 out of US\$ 11.05m plus SKK 6.143m out of SKK 352.135m.

6 According to official data, two sets of figures exist, one in US dollars and one in Slovak crowns, which need to be combined to reach the total figure. The amount of ODA allocated to Belarus via the MFA in 2004-2007 amounted to US\$ 222,783 out of US\$ 11.05m plus SKK 7.953m of a total SKK 352.135m.

7 According to official data, two sets of figures exist, one in US dollars and one in Slovak crowns, which need to be combined to reach the total figure. The amount of ODA allocated to Bosnia and Herzegovina via the MFA in 2004-2007 amounted to US\$ 505,509 out of US\$ 11.05m plus SKK 3.368m of a total SKK 352.135m.

European Union: Democracy versus Bureaucracy

An Assessment of the Reform of the EU's External Assistance Instruments

Věra Řiháčková
EUROPEUM Institute for European Policy, Czech Republic

“Democracy assistance” is not a mainstream term in EU discourse, and no Community definition or concept of a democratisation strategy is envisaged¹. On the other hand, the “promotion of human rights and democracy” has become a well established element of EU external policy, with multiple references to it at various institutional levels and financial instruments. For the purpose of this research, democracy assistance is defined as *the policy aimed at helping third countries build institutions of democratic governance, foster public participation in democratic governance, support pluralism in the shape of multiparty politics, freedom of expression and independent media, promote and protect human rights, and work towards establishing the rule of law.*

Framework of Reform

The draft reform of the EU external assistance instruments, linked to the Financial Perspective 2007-2013, was presented by the European Commission in September 2004. Originally, the Communication envisaged four instruments: three with a geographical scope, although containing thematic programmes - *Instrument of Pre-Accession Assistance (IPA)*, *European Neighbourhood and Partnership Instrument (ENPI)*, and *Development Co-operation and Economic Co-operation Instrument (DCECI)*; the fourth was the horizontal *Instrument for Stability* aimed at reacting to imminent crisis situations.

The programming of the geographical instruments should have been “comprehensive in order to incorporate all relevant policy objectives and ensure mainstreaming of cross-cutting issues, such as democracy and human rights...”². Later on, the Commission identified seven thematic programmes, one of which should have focused on human rights and democracy promotion.

As a replacement for the *European Initiative for Democracy and Human Rights (EIDHR I)*, a separate facility was proposed that would have been common to all four instruments, with a separate budget line (funds allocated from four budget allocations of the financial instruments) but without a specific legal basis³. Suggestions were made to narrow down EIDHR I and to limit the action of the draft thematic programme to countries where human rights and fundamental freedoms were particularly at risk. In countries where co-operation between civil society and government could be established, the support for civil society and non-state actors in terms of democracy assistance would have fallen under development co-operation, and support to networking and civil society dialogue at national and regional level⁴.

The negotiations on the four instruments (IPA, ENPI, DCECI (later DCI), and the Instrument for Stability) continued, following the *co-decision procedure*. After adoption of the respective regulations, the negotiation and adoption of implementing measures (usually Strategy Papers)⁵ began in a so-called *Democratic Scrutiny Process*, arranging for a fast-track approval procedure between the Commission and the European Parliament (and the Council management committees)⁶.

However, the most challenging issue proved to be the clash over keeping a separate democracy and human rights instrument. Besides the EU institutions (European Commission, European Parliament, Council and the member states), civil society groups in Brussels and in the member states were involved in the debate on wider reform of the external action financial instruments, including also the reform of Financial Regulation and Implementing Rules. The Commission was quite open when drafting the proposals and invited several NGOs to consultations, from which an informal network of NGOs emerged, pushing for a separate democracy and human rights instrument (but differing substantially in their views on its objectives, implementation, and specific initiatives that emerged during this debate - such as the European Partnership for Democracy, EPD).

In the course of the debate, a crucial element was the strong partnership between civil society actors and the democracy caucus in the European Parliament, which was established by the members of the Foreign Affairs Committee (AFET)⁷. With the involvement of several member states, the idea attained critical mass support, and the establishment of the new European Instrument for Democracy and Human Rights (EIDHR II) was agreed in June 2006.

The regulation was adopted in December 2006 and, consequently, the drafting and negotiating stages of the EIDHR II Strategy Paper 2007-2010 were launched. Overall, the very continuation of the independent democracy and human rights instrument was considered to be a significant achievement by civil society.⁸

The reform of the external assistance financial instruments aims at a more flexible approach in terms of delivery. However, any change takes place in given boundaries: Community

assistance will always display a certain degree of rigidity in terms of programming cycle and budgeting, given the nature of the EU and its internal procedures. Coherence of approaches and programming of the Community instruments and complementarities with the member states' and other donor institutions' programmes is thus very important. Not least in the context of the mid-term evaluation of the instruments and possible changes in the EU institutional structure (creation of the EU External Action Service or an EU High Representative for Foreign and Security Policy), further reform of the external assistance can be envisaged.

POLICY RECOMMENDATIONS: EUROPEAN UNION

- The new European Instrument for Democracy and Human Rights (EIDHR) will become an effective tool of democracy assistance only if its reform is followed by substantive changes in the civil service culture. The European Commission should reform the staff rules, so that EU civil servants responsible for grants allocation are not forced to choose between the competing goals of budget transparency and flexibility, especially in support to human rights activists working in conditions where strict confidentiality is required.
- Visegrad and other like-minded governments should work closely with the European Parliament, particularly with its democracy caucus, to ensure that the Parliament conducts a mid-term evaluation of the effectiveness and utility of the new EIDHR, with a focus on a qualitative rather than purely financial evaluation, complementary to the evaluation scheduled to be undertaken by the European Commission in 2009. An independent evaluator should focus on potential loopholes of the EIDHR, especially in those countries where human rights are most at risk and where the effectiveness and utility of the EU instrument can prove problematic, for instance in Cuba or Belarus.
- The Czech and Swedish EU presidencies should set as a priority the completion of the above monitoring process, and also the development and implementation of the new Polish-Swedish initiative for a new "eastern partnership" calling for, *inter alia*, the establishment of visa-free relations with Western Balkans countries and Eastern ENP neighbours, and strengthening the democracy assistance focus on Ukraine, Moldova, Georgia, Armenia, and Azerbaijan.
- Visegrad governments should support flexible funding initiatives, including the European Partnership for Democracy (EPD), and opt for more flexible, less bureaucratic and more hands-on European-level approaches to democracy assistance; the Visegrad governments should then engage in coalition-building among EU member states, EU institutions, and other key stakeholders (including political foundations) to ensure EU funding reaches civil society groups working for democracy and human rights in high-risk situations, where flexibility, quick decisions and confidentiality are required.

- The implementation of the Lisbon Treaty presents the French-Czech-Swedish EU presidency with an opportunity to make democracy promotion a pillar of a common EU foreign policy, and for this to be reflected in the priorities of the new EU High Representative for Foreign and Security Policy and the new EU External Action Service.
- The idea that the EU should provide development assistance only to governments that demonstrate political will and a measurable commitment in the field of democracy and human rights should be adopted and consistently implemented within the new external action agenda. The 'poverty reduction first' approach is based on a fallacious concept that significant and sustainable progress in poverty reduction can be achieved without improvements in good governance and accountability.
- Non-governmental organisations from the EU's new member states should be given greater visibility in Brussels, and groups with recent transition experience, but limited financial capacity, should be encouraged to apply for EU funding under the European Instrument for Democracy and Human Rights. V4 governments should assist their NGOs to participate in EU democracy projects through the provision of matching funds within the framework of their own democracy assistance programmes.

Amendment of Financial Regulation and Implementing Rules

The Financial Regulation (FR) applicable to the general budget of the European Communities was, together with the Implementing Rules (IR), criticised in several studies⁹ commissioned by civil society as the source of Commission inflexibility in managing (democracy assistance) projects. The Regulation was amended and the changes went into effect as of 1 May 2007¹⁰; together with the regulation, the Implementing Rules were also modified. These rules apply generally to all EU external assistance financial instruments drawing on the Community budget lines - i.e. EIDHR, ENPI, IPA, DCI, and the Instrument for Stability (the European Development Fund is not financed from the Community budget).

Overall, several steps forward have been taken, and some of the obstacles to flexible project management, identified by civil society and NGOs working in challenging countries, were removed. As argued elsewhere¹¹, the change of the regulations was crucial but a change in the Commission's management culture should follow suit. The Commission has adopted several measures aiming at facilitating such a change so far: there was a poster campaign in the Commission buildings, pointing to the fact that the Financial Regulation had been amended; seminars for the officials, elaborating on the adopted amendments, have been conducted, although it has not been possible to find out what

kind of message the officials are being given (most probably, the stress on the potentially competing priorities of "transparency" and "flexibility" is prevalent). Only the Commission's future practice will show if and how the management culture, namely in terms of flexibility, has improved.

Main issues

- Current amendments provide for *funding for non-registered* organisations in duly justified cases¹², provided that their representatives have the capacity to undertake legal obligations on their behalf and assume financial liability (FR/Art. 114b); however, it is unclear how precisely the representatives of such entities will prove they have such a capacity. The Financial Regulation amendments allow for certain exemptions from eligibility conditions in case of a non-registered organisation (FR/Art. 45): the authorising officer can, for example, refrain from requiring the documents proving an applicant is not subject to a conflict of interest, has made false declarations or substantial errors, committed irregularities or fraud, or is subject to an administrative penalty, etc¹³. The particular demands and conditions placed upon an individual representing a non-registered organisation are not specified. It will be possible to assess the scope of the simplification and flexibility only when the first projects are implemented under the amended regulation and implementing rules.
- *Re-granting* is allowed for (within a grant contract), although the rules are quite restrictive; it is not possible to re-grant more than 50% of the grant, not more than € 10,000 per organisation, and not more than € 100,000 per total budget¹⁴, i.e. a maximum of ten re-granting contracts is allowed within one grant. The re-granting should be part of a bigger operational project (not exclusively re-granting)¹⁵.
- *Financial guarantees provided by NGOs*: there are some improvements in terms of required compulsory financial guarantees; the provisions allow large margins of discretion for Commission officials when asking for guarantees (depending on their risk assessment). For a grant, the requirement of 80% pre-financing is now limited to cases when the grant exceeds € 60,000 (IR/Art. 29); for grants of less than or equal to € 10,000 (IR/Art. 182), the financial guarantee rule shall be applied only in duly substantiated cases. There is also a possibility of substituting payments in several instalments in place of financial guarantees (IR/Art. 182). A condition that a guarantee is required in return for the payment of pre-financing exceeding € 150,000 has been kept (IR/Art. 152). Although the possibility of waiving guarantees for NGOs was not attained (it applies only for public bodies, international organisations and beneficiaries that have concluded a framework partnership), in many cases a guarantee requirement is subject to the assessment of the authorising officer. Still, most probably, rather well-established NGOs with a track record of co-operation with EU Delegations and the Commission will enjoy the possibility of guarantee-waiving.

For newly defined “grants of small amount” (less than or equal to € 25,000¹⁶), the documentation (administrative) burden diminishes significantly (FR/Art. 93).

- For beneficiary organisations, the grant threshold for which an external audit is required has been increased from € 300,000 to € 500,000 for grants related to specific projects, and from € 75,000 to € 100,000 for grants to finance the operational costs of the organisations.
- *Financial liability of officials:* The Financial Regulation and Implementing Rules clarify the personal financial liability provisions (If the authorising officer acts intentionally, he/she shall be liable for the entire loss suffered. In cases of gross negligence, it is limited to one year’s salary, FR/Art. 66¹⁷. This rule applies to all financial actors and any other persons involved in Community budget implementation), and thus psychologically should allow for more flexibility on the desk officers’ side. However, in the previous budgeting period under the 2002 Financial Regulation, the problem was not so much the lack of clarity of the regulation itself but the Commission administration and management culture and mentality, which applies too much pressure on the desk officers (also in terms of administrative burden). Furthermore, the financial liability of an official is part of the Staff Regulation, so the extent of liability is not resolved exclusively by the Financial Regulation. Owing to this uncertainty, the atmosphere of full liability could persist. Pushing for looser regulation on this point from the NGOs’ side is understandable, but at the same time it is important to note that there are cases of mismanagement and that the Commission follows a certain logic (and is also often challenged by the member states on the budget management issues)¹⁸. Transparency and anti-fraud control measures have to be retained, but it remains to be seen whether the right balance has been struck between flexibility and transparency.
- A trend towards reinforcement of transparency (reporting and full public disclosure of the projects and fund recipients) versus the safety of the beneficiaries, namely in countries where the beneficiaries are most at risk (namely non-registered NGOs and natural persons in countries such as Cuba and Belarus). Since the former Commission policy did not allow for non-registered organisations to apply for grants (or for re-granting), the EC money was not involved in operations of this kind and thus public disclosure had not been widely discussed. Although the amended FR/IR display a trend towards reinforced transparency¹⁹, the amended Article 53 of the Financial Regulation states: “ensure, with due observance of the requirements of confidentiality and security, adequate annual *ex post* publication of beneficiaries of funds deriving from the budget”. This provision is intended to be sufficient to guarantee that all actors (Commission, member states, and international organisations), involved in the “specific” distribution of the Community funding, can keep the information on the beneficiary confidential. In the EIDHR II regulation itself, there is no provision in terms of confidentiality of data due to safety reasons, but Article 28 of the EIDHR Strategy paper 2007-2010 (“Where specially justified, the usual practice of publishing

information about EU-sponsored activities may be modified”) gives the European Commission an instrument to protect some of the beneficiaries in the countries where their lives could be at risk. Even if there is no established practice, it might be assumed that given the nature of the cases a strict confidentiality policy will be followed since the actions would otherwise be counterproductive.

- The exception from a rule that grants may not produce a profit for the beneficiary applies also for actions aimed at the reinforcement of the financial capacity of a beneficiary or at the generation of income in the framework of external actions (FR/Art. 109). It is possible for a natural person to receive funding through re-granting (or through an EIDHR II *ad hoc* measure), which might in fact serve as a financial support for living expenses.

Although the principle “rules first, quality second” is generally perceived as an informal guideline for Commission staff, there are signs that the current atmosphere in the Commission points to a potentially changing milieu. Generally, the current FR/IR amendments provide for more flexibility, and a larger portion of discretion is assigned to the authorising individuals.

The Financial Regulation and Implementing Rules are general principles that should be followed when dealing with Community budget lines. All specificities cannot be reflected fully in these general purposes serving as legal bases²⁰.

On the other hand, there are several issues connected to general project management that have not been tackled in the amendments, like the very principle of calls for proposals (“guided by impartiality and competitiveness”) when an offer/proposal can be only accepted or rejected and no further communication with the applicant officially takes place, or another issue of easing the possibility to make changes once the project is approved while keeping its objectives²¹; NGOs also complain about insufficient dissemination of call for proposals in target countries, resulting in a lack of awareness by local civil society actors of the EU assistance projects.

European Instrument for Democracy and Human Rights (EIDHR II)

The European Parliament conceived the European Initiative for Democracy and Human Rights (EIDHR I) in 1994 by suggesting the re-grouping of nine budget lines under Chapter 19.04 in order to promote the rule of law and human rights worldwide, together with the recognition of civil society as key actors in the process and accordingly making NGOs eligible as applicants for funding within this scheme. The Initiative was intended to boost

the capacity of NGOs and to provide democracy assistance through NGOs. Based on two regulations, its key strength was the possibility to operate without the need for the consent of the host government. A programme with not only development goals but with policy and political reach was established²².

Together with the preparations for the new Financial Perspective 2007-2013, the reform of the external assistance instruments was launched. In June 2006, the establishment of the separate financial instrument was agreed²³, and the EIDHR II²⁴ regulation was approved in December 2006.²⁵ The key features of the instrument, including the principle of operating without the need of host government consent, were retained and enhanced.²⁶

The deliberations on the EIDHR II Strategy Paper 2007-2010 followed. The Commission Directorate-General for External Relations (DG RELEX) drafted the document, suggesting originally six objectives for the given period, including EU election observation missions (EOMs).²⁷ The respective management committee was established, and consultations with Brussels NGOs took place (civil society groups in the member states usually tried to influence the government position in the management committee). Since the decision on the separate instrument was taken only in June 2006 and the Regulation adopted only in December 2006²⁸, the preparations of the Strategy Paper were delayed in DG RELEX, where staff turnover and other practical issues contributed to the hold-up. Within the management committee, the most active member states were France, UK, Finland, Sweden, the Netherlands, Denmark, the Czech Republic, Lithuania and Germany (then holding the Presidency).²⁹

Overall, the Regulation and Strategy Paper negotiations showed the differing attitudes of the European Commission and civil society (NGOs in Brussels) towards the “philosophy” of democracy assistance. The Commission’s standpoint distinguishes between human rights financing and democracy assistance (understood rather as “democracy promotion”) financing, within which specific democracy-related objectives need to be financed, i.e. EOMs and actions strengthening the capacity of regional organisations.

The NGOs, on the other hand, have been pushing for the removal of EOMs from EIDHR II and for the instrument to focus rather on strengthening the capacity of civil society and delivering democracy assistance through civil society organisations. Furthermore, within the Commission the notion prevails that a country cannot be changed when its politicians are not involved, and thus the measures targeting civil society or implemented through civil society are perceived rather as a complementary element within the overall strategy of democracy promotion in a third country.

The Strategy Paper was also discussed with civil society groups. The list of civil society actors through which the EIDHR II would operate (including non-registered organisations and political parties - only possible as part of a multiparty proposal) was already agreed when negotiating the regulation; the European Commission wanted then to establish a list

of possible recipient organisations but the idea was abandoned due to the potential rigidity of such a list and the boosting of an effect known as “donor’s darlings”.

Generally³⁰, civil society lobbied for an annual increase of the EIDHR II budget and the possibility to re-allocate the EIDHR II overheads according to the demand, for enhanced support for human rights defenders (part of Objective 3), and more specifically for the option to channel financial support (*ad hoc* measures) through EU-based NGOs that know the situation on the ground and have the means to deliver funding; and for local civil society actors active in election-monitoring in third countries to be eligible for funding under Objective 5 (EOMs).³¹

In some respects, the civil society priorities have been accommodated; for example, in the case of human rights defenders, the possibility to channel *ad hoc* measures through NGOs is now explicitly stated in Article 54 of the Strategy Paper. Moreover, the eligibility of local civil society actors involved in election observations was one of the last-minute changes made to the Strategy Paper 2007-2010 (Article 65).³² Although the principle of an annual increase in the EIDHR II budget was adopted at the end, civil society lost the battle over the EOMs allocations, which will consume a large share (on average 25%) of its annual budgets³³, and were disappointed also over the flexibility in dealing with budget overheads.

EIDHR system and rules evolution

It is generally agreed that the main problem surrounding the European Initiative for Democracy and Human Rights (EIDHR I) was the incapacity of the European Commission to manage, fund and co-ordinate projects in a fast and flexible way - in particular, the centralised calls for proposals with long project-evaluation periods were strongly criticised. The number of rules to be followed by EC officials made the whole system too slow and ineffective. The Financial Regulation and Implementing Rules, established in order to avoid mismanagement of EU resources, did not allow the Commission to work effectively.

NGOs and other civil society actors managing projects in countries where the conditions had (and might have) been changing rapidly needed funding fast, but the procedures took normally about two to three years³⁴. These organisations, working at national or local level, criticised both the speed of the grant-awarding system and the strict financial control, which did not allow for certain types of operations. The EC financial control was perceived to be much stricter than normal controls in the public and private sector, and the obligation of delivering regular reports was considered a major burden, overloading the capacity of the NGOs.

According to the civil society criticism, EIDHR I failed to have real impact, supporting largely *ad hoc* initiatives, not applying resources strategically, and often losing momentum

to support locally driven processes of change. Criticism also focused on the lack of intra-EU co-ordination (i.e. between various instruments and the respective actions), intra-EU impact assessment and project evaluation, and co-ordination with other donors. Another point of criticism was that the resources had been spread too thinly due to the expanding list of beneficiary countries and thematic priorities. Furthermore, the complexity of the application process and reporting requirements needed an almost expert knowledge of EC systems and, as a result, European NGOs and Brussels-based local “donor’s darlings” had been the main beneficiaries.

The amendments of the Financial Regulation and Implementing Rules, and the resulting opportunities and pitfalls in terms of EC flexibility and effectiveness, are tackled elsewhere. The EIDHR II Regulation and Strategy Paper 2007-2010 introduced the following improvements:

- *Making the system faster and more flexible*: the Commission has the possibility to adopt *Special* and *Ad hoc* measures in case of urgent need³⁵ (without calls for proposals): 4.3% of the budget of EIDHR II is reserved for these measures, in comparison with 4% within the period 2002-2006.³⁶ The EIDHR II Regulation also enlarges the number of persons or bodies eligible for funding - “entities that do not have legal personality under the applicable national law” (Art. 19) and “groups of natural persons without a legal personality and civil society organisations” (Art. 41 of the Strategy Paper) are eligible.³⁷ New kinds of “out of country” operations are introduced (Art. 27 of the Strategy Paper), allowing NGOs to work not only in a country concerned by the project, but also “in neighbouring countries, with the diaspora or refugee committee”. Finally, a few derogations from rules of origin concerning the purchase and use of supplies and materials were introduced.³⁸
- *Enhancing co-ordination*: EIDHR II continues to be a complementary instrument of EU democracy assistance worldwide (including IPA, ENPI, DCI, etc.), used in synergy with other EC actions. In order to improve the effectiveness of the whole system of EU external aid, it is necessary to ensure good co-ordination of all the instruments concerned. As mentioned in the Strategy Paper 2007-2010 (Annex III, point 8), “efforts to explore complementarity with other EC actions” have to be increased. The Commission declares that it sees the legislation covering external spending in 2007-2010 as a “package”, and the package approach is the only sure way to guarantee the consistency and coherence of the instruments. The wording of the EIDHR II Strategy Paper 2007-2010 also puts emphasis on the necessity of “more systematic monitoring” by the EC of the projects; how this will translate into impact assessment and project evaluation is rather unclear. Furthermore, it is important that the EC and also the member states co-ordinate better their work with other donors, providing support to various entities fighting for human rights and democracy. The EIDHR II Regulation (Art. 15) states the following: “The Commission and member states should seek closer co-ordination with other donors.” Generally, the emphasis is put on a greater need for co-ordination of aid and support

between the EC, member states and other bodies - this includes “regular consultations and frequent exchanges of relevant information”³⁹ and an “increased dialogue with implementing partners and increased sharing of lessons learned between delegations and with headquarters”.⁴⁰ How this wording will translate into systematic co-ordination between the EU institutions (and also within the Commission Units) of actions, impact assessments and evaluations, and better co-ordination with other donors, is not specified.

- *Transfer of competences to EC Delegations (and to independent foundation/agency)*: critics generally agree that the centralised EC management of EIDHR is not flexible enough to be effective. The discussion on delegating powers and resources, either by reinforcing EC Delegations or by establishing an independent foundation or agency to manage at least a part of EIDHR II projects, was underway.⁴¹ The idea of the EPD was discussed, but in the end it was decided that no direct EIDHR II funding would be allocated to the foundation budget (EPD can apply for EIDHR II money through calls for proposals). A solution of reinforcing EC Delegations in third countries will probably prevail. The amount of funding managed by EC Delegations has been constantly increasing over the past five years; in 2002, EC Delegations were managing 8% of funding used through the *calls for proposals*, and in 2004 it amounted to 14%, reaching a 25% share in 2006. Even if the corresponding data are not yet available for the EIDHR II, this trend is likely to continue. However, delegating a larger part of EIDHR II management to EC Delegations without reinforcing their capacities could bring additional administrative burden to the staff, and in the end make the EC Delegations less effective and unable to implement their tasks and deliver results. That is why the Strategy Paper 2007-2010 (Annex III, point 4) states that “Delegations need to be equipped for the task, politically as well as logistically”.

Evolution of the EIDHR Objectives

Except for the minor changes mentioned below, the objectives of EIDHR II are mostly in line with those of the EIDHR I. The progress is more in the way they are formulated and arranged into groups than in the objectives themselves. According to the Strategy Paper 2007-2010, key EIDHR II objectives are:

Objective 1) Enhancing respect for human rights and fundamental freedoms in countries and regions where they are most at risk: on average, 10.1% of the EIDHR II 2007-2010 budget is dedicated to this objective.

Objective 2) Strengthening the role of civil society in promoting human rights and democratic reform, in supporting conflict prevention and in consolidating political participation and representation: on average, 37.6% of the EIDHR II 2007-2010 budget is dedicated to this objective.

Objective 3) Supporting actions on human rights and democracy issues in areas covered by EU Guidelines, including on human rights dialogues, on human rights defenders, on the death penalty, on torture, and on children and armed conflict; on average, 14.1% of the EIDHR II 2007-2010 budget is dedicated to this objective.

Objective 4) Supporting and strengthening the international and regional framework for the protection of human rights, justice, the rule of law, and the promotion of democracy; on average, 10.5 % of the EIDHR II 2007-2010 budget is dedicated to this objective.

Objective 5) Building confidence in, and enhancing the reliability and transparency of, democratic electoral processes, in particular through election observation; on average, 23.7% of the EIDHR II 2007-2010 budget is dedicated to this objective.⁴²

Within these five points, most of the EIDHR I objectives can be identified. However, there is a difference between EIDHR I and EIDHR II in terms of prioritisation - some of the objectives mentioned above have greater importance than before; others are not followed as intensively as under EIDHR I. EIDHR II puts more emphasis on civil society as the basic element of the Instrument's implementation.

Even if civil society was considered the most important element of the democratisation effort since the introduction of the EIDHR I, this fact is now expressed more explicitly; the notion that civil society is not only the ultimate beneficiary of EIDHR II projects, but also an active actor in the democratisation process and human rights promotion in third countries, is enhanced - EIDHR II puts more stress on the "active role" that civil society has to play in these processes.⁴³ Although EIDHR I prioritised co-ordination with civil society, EIDHR II pays even more attention to that point. Civil society is the base for the EIDHR II response strategy: "Work with, for, and through civil society organisations will give the response strategy its critical profile."⁴⁴

One of the main trends of EIDHR I that needs to be maintained and reinforced (it has greater priority than before) is the pursuit of a concise thematic approach within grant-awarding and funding. As explained in the Strategy Paper 2007-2010 (Annex III, point 2), this dimension of EIDHR II has to be supported more than before: "In order to enhance impact and achieve greater strategic focus, there have been attempts to integrate themes in a limited number of campaigns as for 2005-2006 programming. This process needs to go further. In order to streamline and reduce fragmentation, the general balance of opinion has been to *maintain a broad geographic focus, whilst tightening and integrating further the thematic approach.*" The number of countries eligible for EIDHR is constantly growing⁴⁵ and so, according to the Commission, the thematic approach is an even greater necessity to ensure effective work and results delivery.

As for other changes, the introduction of the EU Guidelines on Human Rights (the Strategy Paper 2007-2010 mentions explicitly the EU Guidelines on Human Rights as a part of

the EIDHR II, Objective 3), stronger support for human rights defenders (the budget line for supporting human rights defenders worldwide amounts to only € 4 million per year and it is questionable whether this amount is sufficient), and more emphasis on the rights of women and children should be mentioned.⁴⁶ Gender equality and the fight against all forms of discrimination are underlined⁴⁷, together with the "promotion of core labour standards and corporate social responsibility".⁴⁸

A number of objectives maintained the same level of importance, i.e. promoting justice, supporting the International Criminal Court and other criminal tribunals, promoting accountability and the fight against corruption, torture and the death penalty. The independence of action from the consent of third-country governments *and other public authorities*, fundamental to EC action in countries such as Belarus or Cuba, was also kept. Further conclusions on the evolution of the thematic priorities of the EIDHR can be made on the basis of the EIDHR II budget.

Evolution of the EIDHR budget

Within the period of 2002-2010, the EIDHR budget is scheduled to increase from about € 100 million in 2002 to € 145.8 million in 2010.

| EIDHR financial allocations 2002-2010 (€) | | | | | |
|---|-------------|-------------|-------------|-------------|---------------|
| Year | 2002 | 2003 | 2004 | 2005 | 2006 |
| Total budget | 100,459,322 | 100,746,534 | 124,957,135 | 128,470,130 | 122,437,792 |
| | | | | | |
| Year | 2007 | 2008 | 2009 | 2010 | 2002 - 2010 |
| Total budget | 130,000,000 | 137,000,000 | 141,600,000 | 145,800,000 | 1,131,670,917 |

Geographical reach

Concerning the evolution of the EIDHR budget, the number of "focus countries" (micro-projects) had been continually increasing during the previous period from initially 29 countries in 2002 to 68 countries in 2006. The range of countries eligible for EIDHR II funding could increase even further in the course of 2007-2013, although for the period 2007-2010 it is envisaged that 64 countries will be targeted for funding under the Country-Based Support Scheme (CBSS).

Any substantive “widening” trend could endanger the effectiveness of EIDHR II, providing each third country with a decreasing amount of resources, as the budget itself is not supposed to grow rapidly under the next financial period (it increased by 22% within the period 2002-2006, while the range of countries concerned has increased by about 135% since 2002). In order to maintain the effectiveness of the whole system, the 2007-2010 Strategy Paper proposes “tightening and integrating further the thematic approach” (Annex III, point 2). The Commission sees this as a way to “enhance impact and achieve greater strategic focus [of the EIDHR]”. Moreover, not all focus countries are eligible for funding every year and, when eligible, most often not under all five Objectives (and priorities).

The issue of the criteria for selection of the eligible countries is also important. In the Strategy Paper 2007-2010, the following identification criteria are set: 1) *Country has a relatively open society allowing for the development and activities of civil society organisations (including human rights and democracy advocacy bodies), but where the latter may be without much organisational capacity, influence and cohesion;* 2) *Well-founded need for more effective action by civil society organisations in the fields of human rights and democratisation for civil society becoming a substantial force for positive change and reform;* 3) *Specific priority established on the basis of EU policy considerations.* The EIDHR II target countries are selected every year, the list is drafted by DG RELEX and DG AIDCO (EuropeAid) and approved by the member states in the Council, where political influences naturally play a role.

The NGOs themselves were not able to arrive at agreed criteria as to how the countries should be selected. It was assumed that EIDHR II should be accessible globally and that project funding should be made available solely on a competitive basis, but the Commission continued with the regional division of funding (at least for Objectives 1 and 2). Some NGOs, for instance the International Federation of Human Rights Organisations (FIDH), came up with their own criteria as to how the countries should be selected, specifically when it comes to countries with a hostile environment, and they tabled these criteria to the Commission. The overall notion is that an ambition to cover everyone and everything would be counterproductive; otherwise it is rather a difficult topic for agreement to be reached among the civil society organisations that were consulted.

Evolution of financial allocations by type of procedure

Concerning the types of procedure under EIDHR I (which is only moderately modified under EIDHR II), it is possible to compare the evolution of financial allocations spent through *calls for proposals* (managed either by the EC in Brussels or by local EC Delegations - both macro-projects and micro-projects), *Grants awarded without calls for proposals* (including *Specific* and *Ad hoc* measures under EIDHR II) and EOMs.

As for the *calls for proposals*, the part of the budget spent on these measures remained almost the same throughout the 2002-2006 period; except for 2004 (when 74% of the budget was spent on *calls for proposals*), about 60% of the total EIDHR budget was reserved for *calls for proposals* (59% of the budget in 2002, 59% in 2003, 58% in 2005, and 61% in 2006). An increasingly large part of this funding is managed by the EC Delegations at local level, and the importance of EC Delegations in managing EIDHR funding has been increasing since 2002. In 2002, only 8% of the total EIDHR budget was managed by EC Delegations (and 51% by the EC in Brussels). Within the period 2003-2004, the Delegations’ portion reached 14% of the total budget, and amounted to 28% and 25% of the EIDHR I budget in 2005 and 2006 respectively.

EC Delegations have become a key player in managing EIDHR funds, being deemed more flexible in awarding grants and funding, and better informed about the situation on the ground. This trend of delegating competencies from central to local level is likely to continue as increased flexibility in managing and funding projects is a major priority of EIDHR II. The portion of funding allocated for EC Delegations is subject to the DG AIDCO-EC Delegations’ annual dialogue on budgeting, when the EC Delegations are invited to estimate the amount they can award through the calls for proposals in a given country.

As for *Grants awarded without calls for proposals*, the portion of the budget spent on these measures remained largely unchanged until 2006, when the amount of resources allocated through these grants decreased from an average of 20% (21% in 2002, 19% in 2003, 18% in 2004, and 20% in 2005) to only 11%. This change was caused by an increase of funding spent on EOMs - the budget allocation on EOMs had been growing from an initial 15% in 2002 and 2003 to 21% in 2005 and 25% in 2006. Even if the maximum share of the EIDHR II budget spent on EOMs has been set at 25%⁴⁹, the amount of money spent on this objective is likely to stay near 25% as the EC (and the member states) still gives a high priority to election observation. If almost 5% of the budget is reserved each year for the contingency fund (overheads), there will probably be no more than about 12% of the budget remaining for *Grants awarded without calls for proposals* under the next financial period.

Evolution of financial allocations for micro projects - regional breakdown

A comparison of financial allocations for micro-projects by geographic regions follows in order to describe the evolution of the geographical priorities of EIDHR I from 2002-2006. As micro-projects are a key element of EIDHR, a comparison based on financial allocations for micro-projects seems relevant for such an analysis. For EIDHR II, only the indicative regional shares (in percentage) are known at the moment, not specifying micro-projects allocations but assuming that the micro-projects will fall under Objective 2, the Country-Based Support Schemes (CBSS); however, not all CBSS allocations will be dedicated to

micro-projects, so a direct comparison with EIDHR I is not possible. The geographical breakdown of the budget lines will apply only to Objective 1 and Objective 2, since the remaining three objectives are global, with a specification of the geographical focus of each priority in the Strategy Paper 2007-2010.⁵⁰

- *Western Balkans and EU candidate countries:* The part of the EIDHR I budget spent on micro-projects in this region (Albania, Bosnia and Herzegovina, Macedonia, (then) Serbia and Montenegro, and Turkey) decreased over the years - from 20.4% in 2002 to 7.3% in 2006. The steady decrease of EIDHR I funding is explained by the deployment of other EU instruments (and EU pre-accession assistance) in this region. Within EIDHR II (2007-2010), Western Balkans and candidate countries are eligible under Objective 2 for 25% of the CBSS allocation, amounting to € 7.5 million in 2007, € 9.25m, € 11.15m and € 12.45m respectively in 2008, 2009, and 2010. The group of eligible countries was enlarged to include Croatia for 2007, as well as Albania, Bosnia and Herzegovina, Montenegro, Serbia (including Kosovo), Turkey, and Macedonia.
- *Eastern Europe and Southern Caucasus:* The amount of EIDHR I funding reserved for this region (Armenia, Belarus, Georgia, Ukraine, Russia) did not change in a significant way over the period 2002-2006, reaching usually about 15% of the micro-projects funding. For EIDHR II, the region was re-defined as *European Neighbourhood Policy and East of Jordan countries*, enlarging the original Eastern Europe and Southern Caucasus group to include Moldova and Azerbaijan, and adding the EIDHR I *Mediterranean and Middle East* region, excluding Tunisia and Syria for the time being, and including Yemen. Not all countries in the group were eligible for CBSS already in 2007; the total CBSS amount for the enlarged region is €10 million in 2007, € 12.3m, € 14.7m and € 16.6m respectively in 2008, 2009, and 2010. The countries concerned are to a large extent eligible for funds under the new ENPI.
- *Mediterranean and Middle East:* Most of the countries of this region were not eligible for EIDHR I funding until the year 2004; in 2002-2003, only about 10% of the EIDHR I micro-project funding was spent there (Algeria, Gaza/West Bank, Israel, Tunisia). Since 2004, the region has been given greater priority, and about 20% of the EIDHR I micro-project budget was spent there (significantly, Morocco and Egypt have been the biggest beneficiaries since 2004). Under EIDHR II, the region is unified within one heading with Eastern Europe and Southern Caucasus (see above).
- *Asia and Central Asia:* As for Asian countries, the trend of a geographic widening and its consequences can be observed. The part of the EIDHR I budget spent in this region on micro-projects, i.e. about 15% of the total budget, remained relatively stable over the whole period; minor changes in both directions are observable (17% in 2002, 18.5% in 2003, 13.3% in 2004, 16.7% in 2005, and 13% in 2006). With the widening range of "focus countries" (from initially two countries in 2002 to nine countries in 2006) and the relatively stable budget, the amount of funding spent in

each country decreased instead of regularly increasing (this is the case in all countries concerned). Concerning Central Asia, this region played an increasingly important role in the EIDHR geographical focus (one reason for this tendency is that it was not covered by any other EU democracy promotion instruments). EIDHR funding increased from 5.12% in 2004 (the first time Kazakhstan, Kyrgyzstan and Tajikistan were eligible for EIDHR) to 7.1% in 2006. The trend of reinforcing EIDHR II funding for Central Asia is likely to continue. A total of 13 countries of Asia and Central Asia⁵¹ are eligible for the total CBSS funds of € 4.5 million in 2007, € 5.6m, € 6.7m and € 7.5m respectively in 2008, 2009 and 2010.

- *Sub-Saharan Africa, Caribbean and Pacific countries (ACP):* Since 2003, when most of the countries concerned became eligible for EIDHR I funding, there has been no significant change concerning the part of the EIDHR I budget reserved for this region; about 26% of the EIDHR I micro-project funding was allocated to the region every year (except for 2003 when it represented almost 37% of the total micro-project budget). The number of countries covered by EIDHR I micro-projects (16) is probably going to decrease to 11 under EIDHR II, with Cuba eligible for CBSS only from 2008. The CBSS budget shares are equal to those of Asia and Central Asia.
- *Latin America:* Most countries in the region did not take part in EIDHR micro-projects until the year 2005. At the same time, there was a steady decrease in EIDHR I funding going to this region: from 16.6% in 2002 (concerning only three countries - Colombia, Guatemala, and Mexico) to 13.9% in 2005 and 11.6% in 2006 (concerning already 8 countries). As in Asia, the proportional part of the EIDHR I budget per country was decreasing. Under the EIDHR II CBSS scheme, the number of countries eligible from this region is going to increase to 17 (*Central and Latin American countries*), nine of which are eligible only from 2008; the CBSS budget shares are equal to those of Asia and Central Asia and of ACP countries.

As to the target countries of this research project, namely *Bosnia and Herzegovina, Ukraine, Belarus and Cuba*, both Bosnia and Herzegovina and Ukraine have been eligible for EIDHR I micro-project funding since 2002, and the amount spent on local micro-projects increased over the period 2002-2005 (from € 0.5 million in 2002 to € 0.855 million in 2005 in Bosnia and Herzegovina, and from € 0.6 million in 2002 to € 1.025 million in 2005 in Ukraine). Nonetheless, in 2006 a slight decrease of funding can be observed; there were only € 0.615 million for Bosnia and Herzegovina and € 0.95 million for Ukraine. The decrease has two main reasons. First, the total EIDHR I micro-projects budget in 2006 was lower than in 2005 (from € 35.5 million in 2005 to € 30 million in 2006), and accordingly all country allocations were cut. Secondly, in both cases, the decrease concerned *Campaign 2 (Fostering a Culture of Human Rights)*, which seemed to be less important in the given circumstances as both countries were assessed to be making significant progress in this area. Resources for *Campaign 4 (Advancing Equality, Tolerance and Peace)* remained the same or received even more funding than in 2005.

Concerning Belarus and Cuba, neither country was eligible for EIDHR I micro-projects funding until 2005. The amount of EIDHR I resources reserved for micro-projects in these countries was lower in 2006 than in 2005. In the case of Belarus, the allocation remained rather stable (decreasing from € 0.42m in 2005 to € 0.4m in 2006) despite the fact that there was globally less funding for micro-projects in 2006 than in 2005. Less priority was given to *Campaign 2* in 2006 than in 2005 (with funding falling from € 0.22m to € 0.15m), while the majority of the country micro-projects allocation was channelled to projects under *Campaign 4* (an increase from € 0.2m to € 0.25m in 2006). In the case of Cuba, the decrease in micro-projects funding is evident, falling from € 0.235m in 2005 to € 0.15m in 2006 (only under *Campaign 2*) owing to difficulties on the ground in finding credible local NGOs and to the delicate political situation of the EC Delegation in Cuba.⁵² With the facilities and measures introduced under EIDHR II, an increase of micro-projects funding is likely to both Belarus and Cuba (under CBSS, both are eligible only from 2008).

European Partnership for Democracy (EPD)

The idea⁵³ to establish a foundation through which a part of EU democracy assistance would be granted to civil society organisations emerged in connection with the debate on EIDHR I reform with the direct involvement of the European Parliament democracy caucus⁵⁴, the NGOs, and some of the member states.

Several foundation initiatives were originally tabled. The issues in the debate were at the beginning namely of what type of organisation the foundation should be, its geographical focus and balance. Open Society Institute (OSI) Brussels at first came up with its own initiative but gradually focused rather on the Financial Regulation and Implementing Rules amendments and EIDHR II legal basis⁵⁵. The Policy Association for an Open Society (PASOS) promoted a grant-making foundation model. An initiative was tabled by the Netherlands Institute for Multi-party Democracy (NIMD), backed by the Westminster Foundation for Democracy (WFD)⁵⁶. At a meeting with the representatives of European political foundations on 7 February 2006, the European Parliament's democracy caucus invited NIMD and the WFD to submit a proposal for establishing the European Foundation for Democracy through Partnership (later re-named European Partnership for Democracy, or EPD, to avoid confusion with the already existing European Foundation for Democracy).

An informal group of like-minded countries emerged in the Council in order to promote the foundation idea, which was supported by several high-profile personalities including Václav Havel, Jacques Delors and Richard von Weizsäcker. The impulse came from the Czech Republic, which supported the idea of a grant-making foundation, and the group consisted of the Czech Republic, Sweden, UK, the Netherlands, Poland and Slovakia

(within the V4 countries, Hungary adopted a different approach). The idea was to provide the foundation with a direct allocation from Objective 3 of EIDHR II (promoted by the Dutch). The member states involved originally agreed to contribute to the foundation's budget, and € 2 million from a Dutch lottery company should have been allocated into its budget as well.

David French of the Westminster Foundation for Democracy and Roel von Meijfeldt of the Netherlands Institute for Multi-party Democracy argued that a new foundation "would establish an operational facility at arm's length from the institutions of the EU, capable of timely responses to demands where and when they are most needed", and "should provide a flexible funding instrument to support democratic reform processes and programmes, capable of operating at a greater level of suppleness, responsiveness and risk".⁵⁷

However, the idea of direct funding from EIDHR II was scrapped in the Council (and opposed by the Commission, too). The member states dissenting from the idea pointed to the fact that the funding could be obtained through the regular grants and tenders (macro-projects, operational costs grants). When EIDHR II regulation was adopted, the informal group supporting the EPD idea shrunk to the Czech Republic and Poland.⁵⁸ Further on, the group of supporting member states increased to include Latvia. Nevertheless, the necessary critical mass of supporting member states was not achieved; another complication in the deliberations was that all the "old" member states originally involved in the like-minded group gradually backed away. With the support of only "new" member states, combined with pressure against it from the German EU Presidency, the initiative lost its attraction to the hesitant member states.

Despite the presence of European Commission President José Manuel Barroso at the launch ceremony of EPD on 15 April 2008, the EU has not committed to financing the foundation. Some argue that this is due to the EU's tendency to assign less importance to democracy promotion than to development aid, a tendency evident in the speech of Barroso at the launch ceremony: "However, [political pluralism, social justice and respect for human dignity] will be achieved only if we first succeed in reducing poverty and injustice."⁵⁹

EPD had been pushed forward by several MEPs (Edward McMillan-Scott, Janusz Onyszkiewicz, Jan Marinus Wiersma), some of the member states, and several influential NGOs. The situation changed in the European Parliament during the course of 2006, and the window of opportunity closed⁶⁰. The informal democracy caucus proved to be politically overstretched. The political foundations, especially the German foundations, mainly the Konrad-Adenauer-Stiftung and the Friedrich-Ebert-Stiftung, have continuously been lobbying MEPs (and some of the member states) both for inclusion of political parties and political foundations into the definition of civil society⁶¹ within the EIDHR II Regulation⁶² and against the idea of supporting EPD.⁶³

In October 2006, the political foundations also established a formal network registered in Belgium - European Network of Political Foundations (ENOP) - aiming at better and concerted representation in Brussels and using this legal body to become an important partner for the Commission in civil society dialogue, as well as to achieve the possibility to apply for funding.

The German political foundations won support for their cause from a number of MEPs, including very influential ones such as German Christian Democrat Michael Gahler and Dutch socialist Jan Marinus Wiersma, a previous supporter of the EPD idea. The German government, reluctant towards EPD from the very beginning, finally proved - for obvious reasons - to be the main motor behind the gradual disappearance of the general support for EPD.

Nevertheless, representatives of EPD and supporters of the cause must share part of the responsibility, too, for this failure. As one MEP involved in the process of setting up EPD put it, the proponents of EPD totally underestimated the influence of the political foundations. They were confident about the support for the initiative from the relevant European political bodies and neglected dialogue with the political foundations. EPD representatives did not enter into complex negotiations with the political foundations while assuming they would automatically perceive EPD as a competitor. The EPD protagonists also underestimated the importance of Germany in relation to any debate concerning the spending of EU money. Talks should have been held with the German government in the early stages, especially in light of the fact that it was preparing to hold the EU presidency in 2007.

There is allegedly an ongoing debate within the (still active) European Parliament democracy caucus about the possibility of setting up a European Democracy Fund⁶⁴, which would be partly run by the European Parliament and which would also act as a clearing house for other institutions and foundations; but the democracy assistance agenda has lost momentum in the European Parliament, and the MEPs engaged in the initiative were called upon to respect party discipline and interests⁶⁵. The European Parliament is also setting up an independent instrument for training of third countries' parliamentarians, focusing mainly on the Western Balkans, reviving a similar programme previously run together with the Council of Europe.⁶⁶ The competition in the field of foundations is also growing; this year all the political families in the European Parliament should receive funding to set up their own political foundations, which will not be directly involved in democracy assistance but might get involved in the future.

Despite all the obstacles, EPD was established in Brussels on 15 April 2008 with the support of former Czech President Václav Havel and European Commission President José Manuel Barroso. The new foundation includes board members from Finland, the Netherlands, France, Germany, Poland, the Czech Republic, Slovakia, and Portugal, combining old and new, and large and small, eastern and southern EU members.

The foundation contains a grant-making element and mechanism, and it has opted for a multi-annual programming dialogue. EPD shall be fully operational in 2009⁶⁷, when it can also start competing for EU grants and tenders.

Is there a future for the "foundation idea"?

Some argue⁶⁸ that the idea of a foundation (or the very European Partnership for Democracy) managing part of the EU democracy assistance budget can be revived in connection with the mid-term evaluation of the EIDHR II, which is envisaged for 2009 (the EIDHR II Strategy Paper runs until 2010). In the light of the mid-term evaluation findings, the EIDHR II Regulation could be modified.

A foundation supporting analysis and evaluation of use of funds would not fall on deaf ears if the Commission should prove slow or rigid in delivering the assistance, and in availing itself fully of the flexibility provided for by the amended Financial Regulation and Implementing Rules, as well as the EIDHR II legislation. If a crisis situation, or other urgent need for action, were not managed well, it could substantiate perception that the Commission staff is unable to deliver assistance under such circumstances and strengthen the case for a more flexible body, either a foundation or an agency, from the perspective of the member states. However, it seems highly unlikely that the idea would rise to the top of the agenda before the mid-term evaluation is completed⁶⁹.

Arguments concerning a re-launch scenario

- It is quite likely that any efforts to empower EPD in connection with the mid-term evaluation will meet resistance from the side of the political foundations again, and that in the light of the emergence of the foundations linked to the European Parliament's political fractions, the Parliament (or a group of MEPs) will be less willing to support the idea than in 2006.
- It is questionable whether the mid-term evaluation in 2009-2010 will provide much room for change since the Commission will be very hesitant to deal with the whole assistance structure again; generally no systemic changes are expected - only adjustments or amendments of existing documents. Due to delays in launching EIDHR II calls for applications, the number of projects and outcomes to evaluate will also be limited.
- The arguments for a foundation using as a template the US-based National Endowment for Democracy, tabled by the Czech representatives, might be counterproductive since anti-American feelings are quite common in the European Parliament (and elsewhere). In this light, the recent debates on the US radar and missile bases in the Czech Republic and Poland did not add credibility to the position of these two member states that were supporting the EPD (although the conflict between Russia and Georgia that commenced in August 2008 looks set to turn public opinion in both countries in favour of the bases,

and may have an impact on other countries' stances towards the USA, not least with a new President entering the White House in January 2009). At least until the Georgia crisis, it was observable that the agenda connected to human rights and democracy promotion had gradually receded from the priorities of the Czech Presidency of the EU (January-June 2009), and that the Czech government was adopting a general attitude of "wait and see" until the mid-term evaluation.

- In 2009, a new European Commission will be appointed and elections will be held for a new European Parliament; the Parliament election campaign will run through the spring of 2009 and it is rather unlikely that substantial support will be generated for the EPD during this period.
- The European Commission will not be willing to give up control of funding (a more elaborated oversight mechanism can be proposed, for instance).
- A foundation financed overwhelmingly by the EU would be perceived as an actor similar to the European Commission in third countries; in the discussion, the value added of such a setting would have to be emphasized.
- Democracy assistance and civil society support are a political issue: it is unlikely that no conditions would be imposed on the foundation *ex ante* by the Commission and the member states. Member states want to control allocations for democratic assistance to respective countries according to their diverse strategic preferences (e.g. the difference between the Czech Republic and Spain regarding the need to provide democratic assistance in Cuba).
- Member states' support - a critical mass of member states supporting the idea would have to be created.
- Political foundations (and major political groups) have to be involved in any attempt to revive EPD as a pan-European body financed directly both from governments' and EU money. EPD should embrace dialogue with the political foundations.

The independent mid-term EIDHR II assessment should focus on:

Practical issues with the focus on flexibility at the centre (ability to act effectively in countries like Belarus or Cuba): calls for proposals are not being translated into local languages, which substantially affects the access of grassroots NGOs to the funding; the number and size of grants awarded - support should aim at grassroots initiatives rather than at institutionalised NGOs; it is necessary to administer, as provided for by the new implementing rules and financial regulations, small grants (€ 10,000-25,000), and the progress should be monitored to identify whether the number of these type of projects is increasing (small

grants represent the same workload as big grants, so the Commission logic usually prefers bigger grants).

Division of labour within the EC Delegations and staffing (the Commission has limited capacity to provide for the small grants - one EC delegation desk officer usually deals with calls, evaluation and reporting, and the situation concerning the number of staff will not improve in the near future⁷⁰).

Cost-effectiveness of establishing a new body: a study comparing the costs of a foundation versus increasing the number of Commission staff; for many member state governments, cost-effectiveness is the key issue in deciding on lobbying for one or the other option (cost-effectiveness can be a dilemma even for the governments that have already lobbied for EPD).

Foundation versus agency discussion: is a Commission agency with purely executive tasks a better solution? Since democracy assistance is a political issue and every member state has stakes there, the political say on programming documents would stay largely with the Council if an agency were established⁷¹; no independent body (foundation board) would be involved in programming. Discussion on different models would be necessary - for instance, on whether DE AIDCO or DG RELEX would exercise oversight.

Co-operation among the Visegrad Four governments

According to the interviews conducted for this research⁷², any interaction or possible co-operation among the Visegrad Four countries in "shaping EU policies and instruments" - more specifically within negotiations on both EIDHR II and EPD in this case - seems to have been very limited. First, no system of sharing information was created that would have allowed the V4 governments to co-ordinate their efforts during the negotiations. Secondly, no special working group that would have had the same purpose as an information-sharing system was established. Thirdly, and most importantly, the V4 governments did not have common objectives or priorities. However, there were certain overlaps: for example, in pushing ahead the idea of EPD when Poland, Slovakia and the Czech Republic were co-operating - these countries had been leading supporters of EPD, contrary to Hungary. This specific case represents rather an exception than a standard interaction or co-operation on the level of the V4 governments.

Generally, all four countries stressed the need for a faster and more flexible system of funding (as did almost all other member states); each of the four governments had its own individual priorities. The Czech government stressed the importance of faster and more precise granting in the frame of Objective 1 and promoted greater support for individuals elected to national parliaments, including in those cases where they are not prevented from exercising their mandate. The Slovak government proposed to limit the part of the EIDHR II budget spent on EOMs and pushed for increasing the contingency

fund allocation in order to enhance the capacity of the European Commission to deal with unexpected and crisis situations.

The Czech and Slovak governments also called for extending the EIDHR II funding to include persons or bodies without registered legal status. Concerning geographical considerations, the Czech Republic does not have any high-priority region for which it sought direct disproportional allocations. On the contrary, the Slovak government emphasized that the EIDHR II should pay more attention to the Western Balkans, Eastern Europe and countries covered by the European Neighbourhood Policy.

Both governments, as well as many other member states, had been continuously consulting their own national NGOs before defining their own position for the negotiations on EIDHR II and the Strategy Paper 2007-2010. Some civil society proposals were incorporated into their respective negotiating positions, such as the possibility (included by the Czech Republic) for local NGOs specialising in election observation to draw funding under objective 5 of the EIDHR II.

Concerning the EPD issue, it seems at the moment that no significant support can be expected in the near future from the Czech or Slovak government for re-launching the idea of funding EPD from EIDHR II. Although both countries were strong proponents of the idea of a new independent foundation dealing with part of the EIDHR II funding, they now prefer to wait and see and evaluate the first results of new EIDHR II implementation (perhaps even until the first mid-term evaluation in 2010) before returning to the idea. In addition, they consider that the concept of how the foundation would function has not been clearly defined. In short, the idea has not been abandoned yet, but any further support is currently off the agenda.

Democratic Scrutiny Process

The EIDHR II Regulation was adopted within the co-decision procedure allowing the European Parliament to pass a resolution to the effect that the Commission has exceeded the implementing powers conferred on it, once the commitment process is concluded and the final text submitted to the Parliament. Owing to the delay caused by the negotiations on the very existence of the instrument and the concerns about the timely adoption of the implementing documents and possibility to draw funding in 2007, the EIDHR II Strategy Paper 2007-2010 (similarly the ENPI implementing documents, IPA or Instrument for Stability implementing documents) was adopted through the “Democratic scrutiny process”, a fast-track procedure allowing for a parallel process of implementing legislation oversight. The European Parliament revoked its right to take part in the annual programming of the new instruments: the Inter-institutional agreement adopted in 2006 was the basis for

the “*droit de regard*”, which takes place in parallel with the commitment procedure (management committees - on EIDHR II Strategy Paper 2007-2010 or ENPI implementing documents). Parliament committees received all strategy papers at the same time as they were transmitted to the member states and within 30 days from their entry in the commitment register could express objections. In the meantime, consultations with the relevant Commission’s DGs were taking place (DG RELEX and DG AIDCO) in parallel with the commitment: a soft “structured dialogue” between the Parliament and the Commission was taking place.⁷³

Working groups for democratic scrutiny were established within the relevant Parliament (AFET) Committees (EIDHR II - Human Rights Sub-committee)⁷⁴, such that the deliberations were underway before the Committee (AFET) meeting took place. When the soft dialogue was over, the letter with the conclusions of the working group was sent by the AFET chairman to the Commissioner for External Relations (Benita Ferrero-Waldner) and/or to the Development and Humanitarian Aid Commissioner (Louis Michel); the letter from the Commission followed.

When discussing EIDHR II Strategy Paper 2007-2010, the key concern of MEPs was that EIDHR II should not be deployed extensively in those countries where co-operation with the governments has been established, since in such cases other EU instruments, such as ENPI, can be deployed for supporting civil society whereas EIDHR II should focus on cases such as Cuba or Belarus.

Summary

The reform of the financial instrument and legal basis (FR/IR) of EIDHR II allows for the improved flexibility and effectiveness of EU democracy assistance, but the real impact of the reform will be clear only when an evaluation is made of the implementation of EIDHR II.

The key strengths of the new framework include:

- keeping the principle that provision of assistance should be independent of the consent of third-country governments *and other public authorities*;
- new forms of assistance - support to *non-registered* entities, *re-granting* possibility, lower threshold for *grants of small amounts*, which allows for reduced administrative burden for civil society organisations;
- specific and especially *ad hoc measures*, which allow for supporting *human rights defenders* directly (together with a derogation from the rule that Community assistance cannot constitute profit to the recipients);
- projects may include *operations “out of country”* - in neighbouring countries;
- projects may use other “entry points”, such as social, economic and cultural issues, so long as the aim and the impact of the project relate to fundamental freedoms and human rights (an important provision in the case of Cuba);

- the condition of *EU visibility* might be modified if specifically justified and thus assure the safety of the beneficiaries and their families in countries where human rights are at risk;
- human rights defenders can be supported through the NGOs that know the situation on the ground better (although € 16 million for 2007-2010 for human rights defenders, including *ad hoc* measures, applicable worldwide, is not very ambitious);
- local civil society actors can be funded from Objective 5 (EOMs) when implementing electoral observations;
- the flexibility of the responsible officials is also enhanced in setting the eligibility criteria of local civil society actors.

Some questions and key criticisms remain unresolved:

- distribution of resources - further enlargement of geographical scope could be counter-productive;
- making EC Delegations directly responsible for management of a larger portion of EIDHR II projects - such a delegation of power could help to improve the quality of EU democracy assistance delivery, but the EC Delegations would have to be better equipped for these tasks;
- strengthened intra-and inter-EU institutional co-operation, and co-operation with other donors, for which corresponding implementing mechanisms are in some cases missing;
- the long evaluation process in centralised schemes (macro-projects) will most probably not change, which means loss of operational and quick-reaction abilities;
- EOMs - the EU sends missions only to countries where they are invited, so the whole EIDHR II idea that the action does not require government consent is denied within this priority, and the EOMs allocation consumes almost 25% of the total EIDHR II budget;
- synergy is not assured between EIDHR micro- and macro-projects, or with other EU-funded projects (in the social sector, for instance) - it would require not only co-operation when the programming of the instruments is taking place, but also during the project-monitoring phase;
- possibility to waive co-financing requirement in duly justified cases was not agreed;
- the role of the EC Delegations is not clearly defined in the programming and implementation of the EIDHR II (the EC Delegations report to Brussels the estimates for the micro-project allocations every year). It is also not clear how local consultation with civil society will be organised;
- generally, competitive procedures when awarding funding have to be maintained, so a significant increase in direct granting cannot be envisaged.

Target countries

(a) Belarus

Under ENPI, Belarus was allocated only € 20 million in 2007-2010, and funding must be agreed with the Belarusian government. Under EIDHR II, a country allocation is not known for Country-Based Support Schemes (CBSS) - starting only in 2008 - and other activities will be financed through *special* and *ad hoc* measures. Belarus could also be eligible under DCI (Thematic programmes) where an annual proposal without an overall strategy is made and the list of eligible countries is prepared by the DG DEV and consulted with the member states and the European Parliament.

For Belarus, a donor co-ordination mechanism has been put in place: co-ordination meetings with the USA, Canada and Norway take place very three-to-four months, when the "division of labour" is decided.⁷⁵ Even after the FR/IR reform and the new EIDHR II Regulation, the effectiveness of the Commission in awarding small grants is disputable; likewise, the funding of the running costs of Belarusian NGOs will most probably remain rather difficult - the Commission wants to co-ordinate activities with the member states (Poland, Lithuania, Germany and Sweden were very active in this sense in the past) in terms of small grants and with the US donors in the field of running costs.

(b) Bosnia and Herzegovina

The Instrument for Pre-Accession Assistance (IPA) 2007 Project List for Bosnia and Herzegovina was adopted in July 2007 with a total budget of € 49.7 million; for *Axis 5 - Civil Society Dialogue*, € 4.3 million has been allocated, with the actual allocation for civil society actors narrowed down to € 3 million. Civil society organisations can be eligible under some budget lines of Axis 1 and 2; however, this is not specified at the moment. Besides IPA, Bosnia and Herzegovina civil society will probably also be eligible under ENPI (cross-border issues) and EIDHR II (CBSS only from 2008).

(c) Cuba

The political background is important in the case of Cuba (on Belarus, the member states' positions do not differ substantially). The EU Council carries out an evaluation of the situation on the island every June in connection with the partial embargo (put in place in June 2004 in response to the repression of opposition representatives, but lifted in June 2008). However, Cuba is not a great priority for member states other than Spain and the Czech Republic, which have adopted completely opposite stances⁷⁶, with Spain opposing even the partial sanctions and the Czech Republic arguing that the embargo

should not be lifted without improvement in the human-rights situation in Cuba.

According to the EC Delegation in Havana⁷⁷, keeping a low political profile is crucial for being operational on the spot. Furthermore, there is only limited absorption capacity on the part of civil society on the island (and failed US initiatives are testimony to the lack of a demand side). EC officials complain about the lack of eligible macro-projects tabled by EU-based NGOs under EIDHR I (lack of interest and lack of quality); in their opinion, European NGOs are not innovative enough in terms of strategies⁷⁸ and, in the case of NGOs from the “new” member states, there is a perception that the experience of the transition process in central and eastern Europe is not applicable to Cuba and the templates of civil society assistance are not transferable.⁷⁹

Under EIDHR I, it was impossible to give direct grants to human rights defenders and to provide funding to non-registered entities. Generally, two schemes were in place (not political by definition); under decentralised co-operation (in order to avoid politics), a sustainable “culture” environment was promoted and supported. The promotion of social cohesion was funded from the EIDHR micro-project facility, although the instrument was not mentioned explicitly.

Civil society organisations were rather critical towards the EC Delegation in Cuba owing to the perceived lack of impact of the projects implemented through the micro-project grant applications administered in Havana. With the new rules, more flexibility should be achieved. Elites, which can assist in the transition to democracy, are key: EU-funded support should be available under EIDHR II (namely *ad hoc* measures and re-granting) and a trend to award grants without calls for proposal can be expected. EIDHR II will be the crucial instrument for operations in Cuba (the CBSS will be launched only in 2008); the country will also be eligible for funding under DCI.

(d) Ukraine

Ukraine is eligible under ENPI: the *National Indicative Programme 2007-2010* is based on the EU-Ukraine Partnership and Co-operation Agreement (PCA) and EU-Ukraine Action Plan, and reflects the national priorities of the Ukrainian government (of the time of signing). Preferences were given to direct contributions to the country’s budget (no EU control of the actual spending). € 494 million is allocated until 2010 under ENPI, the *Democratic Development and Good Governance* priority area is allocated € 148.2 million; out of its four sub-priorities only priority iii) *Human rights, civil society development and local government* is relevant to civil society organisations. Ukrainian NGOs can also be eligible under DCI Thematic programmes (Non-state Actors and Local Authorities) and will be eligible under EIDHR II (CBSS will be launched in 2007). The EU is the largest donor in Ukraine.

Note on Interviews

For the purpose of this paper, 20 interviews were conducted with officials and representatives of EU institutions (EU Council, European Commission and European Parliament), NGO representatives and member states’ officials. The policy of confidentiality was followed. The author would like to thank all persons interviewed for their time and help. Any mistakes of analysis or interpretation of the facts are the author’s sole responsibility.

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Endnotes

1 Unlike in the USA

2 (European Commission 2004)

3 The External Affairs Commissioner Benita Ferrero-Waldner was not in favour of keeping a separate instrument for democracy and human rights support.

4 The draft Commission reform also contained support to the specific international instruments of human rights, justice and democracy, and retained embedded in the reform the funding of electoral observation missions (EOMs).

5 The competence to draft the implementing measures is conferred to the Commission by the Council (commitology). According to the Inter-institutional agreement, concluded in June 2006, the European Parliament received a power to control (and block) the implementing measures (when the co-decision

procedure was in place when adopting the legislation); before the agreement, only the Council had the power to control the Commission when adopting the implementing measures. However, the agreement is quite fresh, so a standard procedure (how to exercise this new competence) has not been established yet in the European Parliament.

6 See below

7 The democracy caucus consisted of the MEPs of different political affiliations who were willing to pick up and promote the issue of democracy and human rights support embodied in the new independent instrument. The group was informally headed by British MEP Edward McMillan-Scott (EPP-ED), Vice-President of the European Parliament.

8 During the discussions on the reform of the financial instruments, consultations with civil society were conducted on several levels, however not on a regular basis; consultations were held in Brussels on the Regulations and Strategy Papers and within the EC Delegations on the programming itself. The European Commission follows the "not everyone can be consulted" policy, which means that the EC Delegations usually consult their "usual suspect" civil society partners with a project implementation track record or ask big international NGOs, active in the given country, for recommendations. Although the Commission's approach is understandable, in some cases it can narrow the access to the emerging or (to Commission) unknown grassroots NGOs or civil society organisations since the consultation invitations are usually dependent on personal contacts.

9 The case studies from NGOs focused on different complaints (difficult procedures, reporting, application process, funds transfer, etc.) made by local NGOs, and mainly referred to EIDHR I spending (F.M. Partners Limited 2005), (Soto 2005).

10 (European Commission 2006a)

11 (F.M. Partners Limited 2005)

12 An important achievement allowing for the funding of civil society organisations in countries such as Cuba or Belarus, where it is largely organisations conforming to the regime that are registered (or allowed to register).

13 See FR/Art. 93, 94, 96a

14 *FR/Art. 120/2* "Where implementation of the action requires financial support to be given to third parties, the beneficiary of a Community grant may give such financial support provided that the following conditions are met: (a) the financial support is not the primary aim of the action; (b) the conditions for the giving of such support are strictly defined in the grant decision or agreement between the beneficiary and the Commission, with no margin for discretion; (c) the amounts concerned are small." The maximum amounts are defined in the Implementing Rules, Art. 184a.

15 (Ursu, 2006)

16 Where a single beneficiary is awarded several grants in a financial year, the threshold of € 25,000 applies to the total of those grants.

17 *FR/Art. 66, 1 c*: "In keeping with the principle of proportionality, the level of liability of the authorising officer shall be assessed primarily on the basis of the degree of his serious misconduct. If the authorising officer acts intentionally he shall be liable for the entire loss suffered. If the authorising officer has committed gross negligence, the liability shall be limited to a maximum of 12 months' basic salary." Article 66 of the Financial Regulation clarifies further other ways that can result in holding the official liable for any damage.

18 In the context of the FR/IR amendments negotiation, at the time of the hearing where FR/IR amendments were discussed in the European Parliament in January 2007, a discussion of the Budget Committee on budget control, elaborating on a case of apparently vast financial mismanagement of an NGO, took place simultaneously. The EP Budget Committee was discussing how to enforce the liability of the Commission staff in this particular case and asked the Commission to toughen the rules; this case made the calls for further flexibility of officials more difficult to argue.

19 *FR/Art. 1*: "Council Regulation (EC, EURATOM) No. 1605/20024, hereinafter "the Financial

Regulation”, lays down the legal foundations of the financial management reform. As such, its essential elements should be maintained and strengthened. *Transparency, in particular, has to be reinforced by providing for information on beneficiaries of Community funds...*”

20 For example, the issue of listing NGOs closed down by their governments for political reasons in order to allow them to bid for EU funding as an exception.

21 The desk officer can propose changes but the number of signatures that must approve these suggestions is still “frustrating”.

22 In 2005-2006, EIDHR I covered projects in 68 countries (not all EIDHR I priorities were implemented in all countries, and the same principle applies for EIDHR II); in 54 of them, the micro-project facility was introduced.

23 Further details (political foundations, idea of budget allocation for European Partnership for Democracy (EPD) on the negotiations can be found below.

24 Regulation (EC) No. 1889/2006.

25 In the EU Council, the EIDHR II Regulation and definition of the broad guidelines were discussed in the geographical Council Working Groups like CODEV, COEAST, or COLAT (Cuba). The Working group on human rights (COHOM) cannot overrule the other working groups since there is formally no hierarchy among them. The policies according to which human rights are mainstreamed in the EU depend on Council Presidencies; in this sense, the Finnish and Austrian were the most active recent Presidencies. Allegedly, the situation in Belarus was the main argument in the Council for prolonging the EIDHR as a separate instrument.

26 The wording is such that host government’s and other public authorities’ consent is not necessarily required for implementing the actions under EIDHR II, or that the possibility to support non-registered organisations is included.

27 Out of the five objectives finally agreed, the first four display democracy promotion as the main focus, and the fifth objective covers EOMs. See the details below.

28 During the deliberation on the EIDHR II regulation, including the discussions by the management committee on the Strategy paper, the political interests of the member states had to be accommodated.

29 The Czech Republic and Lithuania were, for example, emphasising the issue of spending the funds allocated for 2007 in 2008 and the idea of democracy assistance co-ordination with other donors.

30 A unified civil society standpoint was hard to achieve within the informal network since there were many divisive issues (such as the geographical focus) where some NGOs were not able to reach a consensus even among themselves. Some NGOs lobbied solely for adjustments to priorities and objectives, others for budget allocations. The *Human rights and democracy network* established an EIDHR working group and tried to negotiate joint positions. The working group included organisations such as Amnesty International or Human Rights Watch, as well as conflict-prevention and child-protection organisations - basically anyone could join and lobby for their own issues. The working group managed to come up with very general recommendations, and each organisation subsequently lobbied for its priority issues on its own.

31 The general interest of the (otherwise rather fragmented) civil society groups in Brussels was to lobby against the inclusion of the EOMs in EIDHR II; it was proposed that the funding for the election missions should come from other country allocations (such as ENPI) where a third-country government consent is assured and a prerequisite of any Community-funded action (the EU does not send electoral missions without government consent anyway, so including EOMs under EIDHR is somehow not in line with its logic). When the battle was lost and the EOMs were kept under the EIDHR roof, the lobbying focused on a decrease in the EOMs’ allocations (Objective 5).

32 Under EIDHR II, it will thus be possible to finance the activities of, and contribute more directly to the capacity-building of, local civil society actors, as these organisations know better the milieu and the ways whereby election results can be distorted than an international organisation such as the Organization for Security and Co-operation in Europe (OSCE), argued civil society groups during the negotiations.

33 For details on the EIDHR budgets, see below.

34 (Raik 2006)

35 Art. 7 and 9 of Regulation no. 1889/2006.

36 Targeted projects, which might have been implemented without calls for proposals under EIDHR I. The EIDHR allows for using the new measures for civil society actors’ support (human rights defenders) explicitly; meanwhile the targeted projects were rather implemented by international organisations or regional organisations (i.e. grants of big amounts)

37 In addition, Article 28 of the Strategy Paper 2007-2010 gives to the EC an instrument to protect some of the beneficiaries of the EIDHR II and their families in countries where their lives could be at risk (“Where specially justified, the usual practice of publishing information about EU-sponsored activities may be modified”).

38 Art. 14 of the Regulation no. 1889/2006

39 Art. 3, Point 3 of the Regulation no.1889/2006; in this sense, for example, the very co-ordination of calls for proposals between the EC and member states’ schemes is important due to the co-financing requirements (especially for macro-projects).

40 Strategy Paper 2007-2010, Annex III, point 8

41 See the details below in the section on EPD

42 The remainder of the budget represents the allocations for the contingency fund.

43 Regulation no.1889/2006 mentions several times the importance of “strengthening civil society activity” (Art. 1, point 2.a) and “reinforcing an active role for civil society within” (Art. 1, point 2.b), “mainly through support for civil society organisations” (Art. 1, point 2.a or point 1.a and the whole article 2, point 1.c.ii). Also, according to the Strategy Paper 2007-2010, civil society “has clear priority” (Art. 6), and “has to be supported” (Art. 11)

44 Art. 17 of the Strategy Paper 2007-2010: the funding of non-registered organisations and natural persons shows that declarations of the importance of civil society are taken seriously.

45 See details below

46 The EU Guidelines on human rights defenders were introduced in 2004. Regulation no.1889/2006 affirms that “EC assistance shall aim in particular at...providing support and solidarity to human rights defenders” (Art. 1, point 2.a, same for Art. 2, point 1.b.ii).

47 Comparison with Regulations no. 975/1999 and 976/1999 on the development and consolidation of democracy and the rule of law and respect for human rights and fundamental freedoms, basic documents for EIDHR I. These issues are mentioned several times in both Regulation no. 1889/2006 (Art. 2, point 1.a.vi and point 1.b.v concerning gender equality and women rights; Art. 2, point 1.b.iii concerning the fight against all forms of racism, xenophobia and discrimination; Art. 2, point 1.b.vi concerning the rights of children and in 2007-2010 Strategy Paper (Art. 22).

48 Regulation no. 1889/2006 (Art. 2, point 1.b.viii)

49 This commitment is mentioned in the Strategy Paper 2007-2010 (Art. 63); however, 25% represents a large portion of the EIDHR II budget envelope.

50 For example, the priority *strengthening the civil society involvement in human rights dialogue* will focus on countries engaged in human rights dialogue with the EU (Objective 3, Art. 53 of the Strategy Paper 2007-2010).

51 The new country eligible for EIDHR II from 2008 is the Philippines.

52 For more details on Cuba (and the criticism of the EC Delegation by European civil society groups), see below.

53 The idea was not new. The foundation of EuropeAid in 2001 helped to make the system faster and more flexible. Many argued for the importance of such a foundation to improve the EIDHR system: “The establishment of a European foundation(s) to support democratisation and civil society is worth serious consideration as an opportunity to step up EU activity in this field. International practice suggests that private foundations that receive public funding are one of the best ways of supporting civil society in

foreign countries.” (Raik, 2006)

54 An informal pressure group consisting of several MEPs of different political affiliations; its main figure has been Edward McMillan-Scott, the current Vice-President of the European Parliament.

55 They perceived a window of opportunity was closing down and that it was not constructive to lobby for a separate foundation when pushing for several issues within the EIDHR II legislation (like lowering the minimum grant amount). Furthermore, OSI did not have a unified position on the foundation initiative.

56 Later on, WFD removed its support, possibly owing to the pressure from other political party foundations.

57 *A European Foundation for Democracy through Partnership*, Netherlands Institute for Multiparty Democracy, March 2006

58 What kind of deal was struck was not possible to find out: the German Presidency, lobbied heavily by the German political foundations, played a crucial role in the decision.

59 J.M. Barroso, Speech at the launch ceremony of the EPD in Brussels, 15 April 2008.

60 The European Commission also opposed the idea of financing directly an institution/foundation from the EIDHR budget. Furthermore, the Commission has to take into account the interest of the Council in programming the EIDHR, and if EPD were funded directly (with the oversight partly by the European Parliament, which can operate more politically), the Commission would have lost control over the expenditure. The Commission and the Council were in the end allies in blocking this mechanism.

61 For example, the speech of Elmar Brok (EPP-ED, CSU, Germany) at the AFET meeting on 13 September 2006

62 On both points successfully

63 Besides the Germans, also the British and the Dutch supported the arguments of the political foundations and withdrew their support for EPD.

64 The reasoning behind the idea of establishing a clearing house and to develop the expertise to work with the Commission is again the need for flexibility of funding in order to facilitate the use of money in political hotspots (the European Parliament by its nature takes a more political approach to solving crisis situations or tackling regimes of all kinds), and to make possible the allocation of small grants. Such a clearing house (co-ordination institution) would help to tackle issues quicker and try to get the status of privileged partner of the Commission.

65 For example, one of the democracy caucus members is involved in the European Foundation for Democracy and Solidarity steering committee, a co-ordination platform for social democratic parties in Europe interested in democracy development (political foundations of this political orientation are also members).

66 Edward McMillan-Scott MEP should be in charge of the new programme.

67 As to the geographical focus of its activities, the principle “who provides funds, sets priorities” will most probably be applied, which can be seen as problematic.

68 For example by Edward McMillan-Scott MEP, an influential member of the democracy caucus in the European Parliament and a heavyweight figure behind the establishment of the European Instrument for Democracy and Human Rights.

69 See also the following section.

70 See EuropeAid Co-operation office Indicators 2007

71 Depending on the type of agency, of course; if a “classical” agency were established then yes; on the other hand, in the case of an executive agency of the Commission, it is not usually the case.

72 The following part is based on interviews.

73 Draft strategy documents go to the European Parliament at the same time as they reach the management committees.

74 The disadvantage of this system is that the MEPs are rather reluctant to take part in these deliberations,

and the European Parliament’s positions are prepared instead by its Secretariat.

75 In the EU, the co-ordination with other donors, i.e. international organisations or the governments of third countries (USA, Canada, Japan) is in the competence of DG RELEX, for example within UN Democracy Fund - one donor co-ordination meeting per year takes place, or the “Paris agenda” (OECD-DAC); this type of co-ordination tackles only broader guidelines of assistance delivery.

76 Before reaching the high political level, negotiations take place namely within the Council working groups COLAT and COHOM.

77 Often criticised by the EU-based NGOs active on the island

78 According to this official, NGOs could even ask for derogations from the rules that applied on EIDHR I projects, especially in terms of registration of the potential benefiting partner organisations in Cuba.

79 “Former communist countries do not understand that it is not desirable to talk about civil society development, not to shout loudly. EIDHR should not be mentioned - not be made the key instrument.”

PART II.

Visegrad Four Democracy Assistance Policies in Target Countries

Next Generation Democracy

Democracy Assistance Policies of the Visegrad Four Countries: Belarus

Marian Kowalski

Since Belarus is a consolidated authoritarian regime, it is not possible to talk about the democracy-building process, but rather about particular activities aimed at democracy promotion or democracy assistance. Belarus is an authoritarian post-Soviet regime, where limited competition is allowed in political contests. The government has been led by President Aleksandr Lukashenko since 1994. Although the political opposition and several independent NGOs are not banned and they are allowed to work in a legal way, their space to influence public life is limited by legal obstacles, as well as by the limited space for independent media.

The period since 2004 has been marked by increasing authoritarianism in the official policies of the Belarusian government, particularly in terms of the conduct of the state authorities towards non-governmental organisations (NGOs) and opposition political parties. On the other hand, positive economic developments, the deep internal crisis within the opposition and the lack of a perspective for integration into the European Union (EU) have contributed to the consolidation of popular support for Lukashenko's regime.

A certain degree of political competition was preserved during the presidential elections of 2006, where opposition and independent candidates were allowed to run, but on the other hand they were accorded very limited access to the wider public. Participation in the electoral campaign in favour of opposition candidates was accompanied by persecution in the workplace, in particular at the local and regional level. As well as the opposition parties, international observer missions, organised by the Organization for Security and Co-operation in Europe (OSCE), Council of Europe and the EU, judged the elections to have been unfair, and criticised serious violations of human rights and democratic principles.

The regime has refrained from mass persecutions, but did arrest the main opposition leaders who were considered to be the most dangerous, such as the presidential candidate Aleksandr Kozulin (not released until 16 August 2008). Those regarded by the regime as its most dangerous enemies comprise former members of the establishment and

representatives of the opposition who have, or are suspected of having, close ties to pro-Kremlin politicians from Russia.

Legislative changes adopted after the presidential elections of 2001, and later after the “Orange revolution” in Ukraine in 2004, made the scope for the development in a standard, legal manner of formal co-operation between local NGOs and their partners abroad almost impossible. Even those organisations that can still work within the legal framework in Belarus are not allowed to receive financial support from abroad or to organise events with international participation on the territory of Belarus. Instead, many NGOs lost their legal status and were forced to register abroad. Due to state control over small and medium-sized private businesses, the NGO sector in Belarus is highly dependent on foreign donors, which very often are their only source of financing. Private local businessmen supporting the opposition or NGOs are exposed to persecution. After 2004, youth exchange activities and international scientific co-operation also faced harsh restrictions.

Since the 2006 presidential elections, restrictions have been imposed on several NGOs, mainly think-tanks, and also on independent media. Even media that are still allowed to be published in Belarus (*Narodnaya Volya*, *Nasha Niva*) are not allowed to be publicly distributed.

Under these circumstances, democracy assistance based on partnership between official institutions and NGOs is almost impossible. Dialogue between official institutions and the NGO sector is conducted only in an informal way, particularly in the case of preparations for economic reforms, where some representatives of official institutions do take part in events organised by the opposition, and vice-versa. On the other hand, such dialogue does not take place in a systematic way, and can hardly be considered as an indicator of regime liberalisation.

In the absence of the free exchange of information and a *de facto* lack of public debate in Belarus, it is hard to estimate the real direct influence of NGOs on Belarusian society. A large number of democracy assistance projects have to be conducted outside the territory of Belarus or underground in conspiratorial fashion. Thus their impact on the public is questionable. Due to the persistent high level of popular support for the regime, civil society operates in relative isolation, and it is vulnerable to the leakage of its own activists either into the private business sector, the official sphere or abroad.

Moreover, the political opposition in Belarus is facing the deepest crisis since Lukashenko came to power in 1994. There are several reasons why the political opposition in the country is marginalised. On the one hand, Belarus has experienced a relatively long period of economic growth since 2003. The economic policies of the regime have been focused on the development of mass consumption, so society has not felt the need for radical economic change. In fact, Belarus has been perceived as a success story not only by Belarusians themselves, but even by some in other post-Soviet countries in the context of

negative social developments and extreme inequality in Russia and Ukraine. In both these countries, this perception has been exacerbated by the emergence of oligarchical systems and the accompanying close ties between organised crime and political elites.

Furthermore, in recent years Lukashenko’s regime has refrained from the most odious manifestations of authoritarianism (the persecution of large sectors of the population, mass arrests, killing of dissidents, banning of political parties), unlike the totalitarian regimes in Uzbekistan and Turkmenistan. The stability of Lukashenko’s regime, especially since 2001, has been based on a “social contract” with the population: the regime offered the people a guaranteed level of social welfare in return for their political loyalty.

On the other hand, the opposition has not managed to offer the citizens an alternative programme of political and social development. Its leaders have gradually lost touch with the citizens, partly through insufficient efforts on their part, but also owing to restricted access to the public. Meanwhile, the opposition leaders have been struggling to preserve their own political positions in the face of a decline in popular support for their parties, and for the opposition as a whole.

The political opposition in Belarus is built on political party lines, and the traditional divisions between the parties have been ideological in character (left-wing: Party of Communists of Belarus, PCB; social democratic parties, Labour Party; national democratic opposition: Belarusian Popular Front Party, BPF; liberal democratic: United Civic Party of Belarus, UCPB). The other dividing line cuts through their different visions of the geopolitical future of the country. Whereas BPF is openly in favour of the Euro-Atlantic integration of Belarus, PCB and partially UCPB have opted for close co-operation with the Russian Federation.

There is also a cultural cleavage since BPF promotes the prevalence of the Belarusian language in society, whereas other political parties prefer a more pragmatic approach, reflecting the current situation in society. Such dividing lines within the opposition hamper the integration of opposition forces, and are very often exploited by the current regime to weaken the opposition.

In addition, a new conflict emerged within the opposition after the 2006 presidential elections, namely between Aliaksandr Milinkievich, the 2006 presidential candidate of the United Democratic Forces (which brought together the majority of the opposition), and the leaders of the individual opposition parties. Milinkievich and his movement, For Freedom (*Za svabodu*), embarked upon an overhaul of the current structure of the opposition, which - in his view - no longer meets the needs of Belarusian society. Milinkievich proposed to build a non-partisan movement through close co-operation with the NGO sector. This led to the removal of Milinkievich from the position of the leader of the United Democratic Forces in 2007, and the failure of the two opposition factions to establish a common platform ahead of the parliamentary elections of 28 September 2008.

Personal disputes, combined with the discontent with the existing political party leaders felt by ordinary members and lower-level activists, heightened the conflicts within the parties. One example was the conflict within BPF, resulting in the expulsion from the party of the former deputy chairman, Ales Michalevic.

Meanwhile, the changes in political and economic relations between Minsk and the Russian Federation signal an imminent revision of the current social contract. The regime is planning to introduce moderate economic reforms based on the commercialisation of the state-owned enterprises and “nomenclature privatisation”, the beneficiaries of which are state officials and the management of state companies. These changes to the social contract are taking place against a background of conflicts among the ruling elites, where the “siloviki” (representatives of the KGB) have lost ground to the more pragmatic representatives of the management of the state enterprises. These conflicts surrounded the removal of Viktor Sheiman from the position of Secretary of the Security Council after around 50 people were injured by a bomb explosion at a concert on “official” Independence Day, 3 July 2008. However, these changes are also accompanied by the intensification of political persecution against the opposition and NGOs.

communist countries (in particular Poland, Lithuania, Latvia, the Slovak Republic, and the Czech Republic) contributed to a substantially improved co-ordination in EU relations towards Belarus.

The co-ordination among the V4 countries of policies towards Belarus, including democracy assistance, is still in its infancy, however. There is room for improvement, principally at the level of Visegrad structures, governmental officials, ministers of foreign affairs and ambassadors. Better co-ordination and co-operation will increase the profile of the Visegrad group and its individual members in Belarus, and further development of the Eastern Partnership as a modification of the European Neighbourhood Policy will present a new challenge to test the ability of the V4 states to act together.

The worst examples of donors’ practices - like the requirement to interact with state authorities or to have an official bank account, which cannot be met under the current situation - have already been abandoned. At the same time, problems persist concerning the security of the Belarusian participants and organisations implementing democracy assistance projects. Another problem is the lack of continuity in the financing of particular projects.

The implementation of democracy assistance projects should be the subject of regular independent monitoring. On many occasions, local needs are not adequately acknowledged since Belarusian organisations play only a secondary, service role in the projects. Generally, the Belarusian NGOs are keen for the projects to be well designed, and for their role to be recognised as genuine partners. In their view, greater engagement of Belarusian NGOs is needed at the stage of discussions on the assistance priorities of the V4 countries.

Although contacts with the highest representatives of the Belarusian government are not recommended considering the regime’s widespread violations of human rights and democratic principles, the presence of the EU in terms of cross-border co-operation, as well as economic and cultural co-operation, should be increased in order to prevent the isolation of the country and a further increase in the influence of the Russian Federation.

A persistent problem in the practices of several donors, e.g. the Swedish International Development Co-operation Agency (SIDA) or the European Commission, has been the requirement for co-financing, even though this requirement now appears less frequently than in the past. This is a case of double standards by donors, which encourages “creative accounting” and other dubious practices. Other obstacles are posed by excessive red tape.

Larger organisations are able to ensure their own contribution through their offices or personnel, including volunteers, but the requirement excludes smaller organisations from obtaining a grant. The European Radio for Belarus broadcasting project is a special case, because the donors’ project-financing structure often meets the needs of the given project in a very limited way, as more than 50% of the budget comprises rental costs of sound-broadcasting transmitters on the territory of Poland, Ukraine, Lithuania, and Latvia.

In addition to the “traditional” NGOs focused on human rights protection, Belarusian society needs alternative projects focusing on the country’s future - a necessary condition of which would be the creation of a counter-elite prepared for a change in the political constellation.

KEY CONCLUSIONS

Although the Belarusian regime can be described as “soft authoritarian” compared with the likes of Turkmenistan, opposition and NGO activists in Belarus face intimidation on a daily basis. Internal conflicts among the governing elites in the country, and the launch of the process of “nomenclature privatisation”, are being accompanied by an intensification of political persecution in Belarus. At the same time, the regime is seeking an improvement of relations with the EU in order to decrease its dependence on Russia. Democratization is an important potential leverage the EU can deploy as a condition of any EU-Belarus rapprochement and the accession of Belarus to the Council of Europe. In spite of the deterioration of the social and

economic situation, the influence of the opposition is decreasing due to the fragmentation and deep crisis within the opposition - which seems out of tune with the concerns of Belarusian society.

Although the financial contribution of the Visegrad Four (V4) countries to democracy assistance programmes in Belarus remains relatively modest, albeit increasing, the NGOs and governments from the V4 enjoy a good reputation among Belarusian civil society due to their understanding of the current situation facing their Belarusian counterparts. The overall impact of V4 countries’ democracy assistance in Belarus is considerable, mainly in terms of the change of the perception of the “Belarusian issue” within the EU. The EU accession in 2004 of some post-

POLICY RECOMMENDATIONS

Taking into account the factors cited above, and the current state of democracy and civil society in Belarus, the following policy steps can be recommended:

- Continue the pressure on Belarus for democratisation at the bilateral and multi-lateral level, including the EU, OSCE and Council of Europe. Such pressure should be accompanied by positive incentives to Belarus, including the prospects of EU membership on the condition that Belarus fulfils the respective criteria and that a membership application is in line with the wishes of the Belarusian people.
- Closer co-operation with the current Belarusian authorities should be developed only after a significant improvement of the situation in the field of human rights. As recent developments show, the minimum requirements of the international community should not be limited to the release of political prisoners, but should extend also to tangible steps towards improved civil liberties and freedom of association, including at least the abolition of the so-called “counter-revolutionary laws”, adopted in 2005.
- An enhanced V4 co-operation could be formalised in Belarus. In order to avoid duplication and inadvertent competition among them, the V4 countries should co-ordinate their policies as well as pool resources by setting up a special fund for Belarus. In effect, the activities of such a fund could be less politically controversial in Belarus than the activities of national governments, especially Poland. The fund would be less vulnerable to propaganda attacks by the Lukashenko regime. It should not be a replacement for national priorities or national funding by the individual V4 governments, but supplementary to them, and a forum for knowledge exchange and co-ordination.
- It is necessary to increase co-operation between the V4 states and other donors in information exchange and co-ordination of donor policies towards Belarus. On the political level, their natural partners are Lithuania, Latvia, and the Scandinavian states, and the Visegrad states should try to establish at least a consultative forum on donor policy together with German donors as well. Such an approach would increase the “European” dimension of the V4 donor policy towards Belarus and increase the EU presence in the country.
- There is a need for increased co-operation at the level of the heads of the V4 diplomatic missions in Belarus. This would raise the profile of the V4 countries in Belarus, contributing to the more effective co-ordination of their democracy assistance policies and policies towards the Belarusian authorities.
- The dialogue with civil society in Belarus should be continued. This dialogue is a very important contribution on the part of the V4 countries in the context of EU policy towards Belarus and should be taken to an EU-wide level, not limited to the European Parliament, as has been the case to date. Representatives of civil society from Belarus should be viewed not only as the recipients of democracy assistance, but as partners of the EU. The V4 countries could actively promote the idea of introducing the model of a standing consultative platform between the EU and civil society from Belarus. This approach would help the recently fragmented and marginalised Belarusian opposition to

reach agreement, and even consolidation, and it would send a strong signal to the people of Belarus that their country's democratic future is one of the priorities of EU foreign policy.

- A higher profile for the EU in Belarus should be encouraged by the V4 countries, e.g. by supporting the development of cultural and economic co-operation between the EU and Belarus. The experience of the V4, especially in the case of Poland and Hungary, has already demonstrated how the increasing economic and cultural presence of the West in the 1980s contributed to the erosion of the authoritarian regimes.
- The V4 countries should actively support the EU Eastern Partnership proposal, which was adopted by the European Council in June 2008. The new EU policy towards Belarus will be developed in the framework of this programme, and its success will depend to a large extent on the activities of the EU member states interested in the strengthening of EU relations with its eastern neighbours.
- Stronger co-operation on the level of the V4 countries will be almost impossible without encouraging Hungarian partners to engage more deeply in democracy assistance to Belarus. A first step might involve some Hungarian NGOs in common projects with other V4 partners focusing on Belarus; a second stage could be the involvement of the Hungarian government. Hungarian NGOs could identify some niches, such as the support of small and medium-sized enterprises in Belarus, local and community-centred initiatives, capacity building of NGOs (where the International Centre for Democratic Transition - ICdT - a Hungarian NGO, has begun activities in Belarus), and the support of independent publishing activities.
- The V4 countries should make use of the comparative advantage of V4 NGOs owing to the fact that they come from transition countries and can better appreciate the conditions of working in a country like Belarus, with an autocratic regime not dissimilar to the communist regimes of Central Europe in the 1980s. In particular, the “negotiated transitions” to democracy in 1989 should provide lessons and offer inspiration for democratic change in Belarus. Democracy assistance should be focused on long-term activities and, in the current political situation in the country, on a process of gradual change of the political and economic climate in Belarus.
- A democratic elite should be fostered in Belarus, a group of professionals able to lead the country in the event of a change of regime. Towards this goal, scholarship programmes should be made an even greater priority for V4 democracy assistance, and where possible this should include study in Belarus. This could be handled either by a dedicated V4 Fund for Belarus or through the International Visegrad Fund (which launched a Belarus Scholarship programme in the summer of 2008, with the intention of funding 80 semesters of study annually). Scholarship programmes should be prioritised: law, sociology, political science, EU studies, international relations, public administration, law, economics and public policy should be the priorities. In addition, long-term internships with V4 NGOs should be supported.
- In the face of the current isolation of civil society in Belarus, efforts to turn the situation around must be intensified. New

target groups should be identified, above all by the Belarusian opposition, by donors and by local NGO stakeholders, in particular groups and individuals potentially interested in political and economical changes, e.g. small and medium-sized entrepreneurs, young urban professionals, environmental activists, etc.

- A wider spectrum of Belarusian NGOs should be involved in discussions about future policies on democracy promotion in Belarus, including cultural or community initiatives. Another priority field identified by this study's research was the support of free information exchange, i.e. independent media available to a larger share of the Belarusian population.
- Consultation on the V4 level between the officers responsible for democracy assistance policy and the representatives of V4 and Belarusian NGOs would contribute to improved needs assessments in the area of democracy assistance, and increased transparency of donors' policies towards Belarus.
- Study the possibility to enable Belarusian NGOs to apply directly for Ministry of Foreign Affairs (MFA) funds in particular V4 countries, conditional on accountability and responsibility being borne by the Belarusian NGOs. This should also be explored within the context of the International Visegrad Fund, so that Belarusian NGOs could more easily be the lead applicants. Where possible, an increased share of the financial resources designed for Belarus projects should go directly to the Belarusian partners.
- Establish mechanisms for quick funding decisions or more flexible institutional and project funding - so that projects can be put into action quickly (in particular, ahead of parliamentary and presidential elections)
- Co-ordination to meet the need for underground survival training, for instance on individual security, and protection of sensitive computer data from raids by the authorities.
- Strike a balance between financing project implementation and the institutional development of NGOs. Donors should abandon the requirement that recipients must provide their own financial contribution towards individual projects - in order to avoid "creative accounting" and discrimination against smaller organisations.
- The continuity of successful projects supported in the framework of democracy assistance should be given priority. This will also improve the credibility of the Belarusian NGO sector and the reputation of the western donors' community.
- The accountability of the recipient NGOs and the professional skills of their staff should be increased to equip them to be more competitive in grant application procedures, especially in applying for EU grants. In the case of newly established organisations without experience in project management, some "positive discrimination" could be allowed for a first project, if combined with project management training for subsequent applications.
- Where possible, donors should conduct regular independent project monitoring and evaluation in order to increase the transparency of democracy assistance provided to Belarus.

International Democracy Assistance Programmes in Belarus

The United States is the biggest supporter of democracy assistance programmes in Belarus. The current US democracy assistance policy is based on the Belarus Democracy Act, adopted by the House of Representatives on 4 October 2004. The act authorised assistance not only for the NGO sector and independent media, but also for political parties.

From an initial amount of US\$ 5 million in 2005, official support for the democracy assistance programme in Belarus increased to US\$ 24m for the period of 2006-2007. On 6 May 2008, a bill extending the Belarus Democracy Act for two more years was introduced for consideration by the US Congress.

In 2007, the total amount of the Foreign Operations Appropriated Assistance to Belarus reached US\$ 11.34m, 90% of which (US\$ 8.95m) was allocated to the area "Governance Justly and Democratically", with the main focus on: building the capacity of NGOs in Belarus to increase public participation and act as agents for change; strengthening independent media outlets and journalists inside and outside of Belarus to increase access to independent information; and building the capacity of democratic parties to unify, strategise, organise, and connect with constituents.

Another 7% of the total assistance (US\$ 1.55m) was earmarked for the area, "Investing in People", where in addition to some humanitarian activities (combating HIV/AIDS and tuberculosis, combating human trafficking, and help to the people living in Chernobyl-affected regions) the allocation supported the study of 900 students from Belarus at the European Humanities University in Vilnius. Although the estimated amount of the Foreign Operations Appropriated Assistance to Belarus for the year 2008 was reduced to US\$ 10.19m, the share for democracy assistance programmes remained more or less the same.

The United States prefers a direct approach, with its democracy assistance almost exclusively focused on the NGO sector and on the independent media. The US applies a tough approach towards the official Belarusian authorities. In the words of US Secretary of State Condoleezza Rice, the Lukashenko regime is "the last true dictatorship in the centre of Europe".¹ This prompted negative reactions from the regime and escalating tensions between the US and Belarus, which resulted in the diplomatic conflict in spring 2008 when the US considered the closing of their embassy in Minsk. The US declared its support for economic sanctions against the Belarusian regime, which were applied against the state oil and chemical corporation, Belneftkhim.

The EU takes a different approach in its policies towards Belarus. Although the role of democracy assistance programmes in Belarus has been increasing in EU policy, especially

since the presidential elections of 2006, the European approach is more moderate than that of the US. The EU combines sanctions with limited dialogue, but many EU representatives are not convinced about the efficiency of sanctions. (After the release of political prisoners in August 2008, the Polish Foreign Minister, Radosław Sikorski, proposed a lifting of sanctions, on the basis that Cuba had been given a reprieve, so Belarus should be treated similarly. The call also coincided with pressure from Russia on the Belarusian leadership to support the Kremlin's policies towards Georgia, including recognition of the independence of Abkhazia and South Ossetia, so an opportunity was deemed to have emerged to strengthen the EU orientation of the regime in the face of Russian pressure.)

EU assistance to Belarus is divided into two categories: 70% of the funds are set aside for "the needs of population", and the rest allocated for direct support to democratisation and civil society. This distribution is maintained in the new Belarus Country Strategy Paper for 2007-2013. The EU assistance for the support of the needs of the population is focused on areas where co-operation with the Belarusian authorities is inevitable, such as combating the negative effects of the Chernobyl disaster, human trafficking, support for border management, and environmental and sustainable development projects. The EU is also involved in the project, "Promotion of wider application of international human rights standards in the administration of justice in Belarus".

After the EU enlargement of 2004, assistance from the EU member states and NGOs increased from € 10m to around € 12m for 2005 and 2006. In 2006, the EU introduced for Belarus the European Instrument for Democracy and Human Rights (EIDHR), which aimed to support civil society in the promotion of human rights, political pluralism and democratic participation and representation, and the so-called Decentralised Co-operation Budget Line, operating independently from the Belarusian authorities. In the years 2005-2006, EIDHR assistance amounted to ca € 5m. The EU is actively involved in support for independent media (radio and TV broadcasting to Belarus by European Radio for Belarus and TV RTVi), mainly through the support of the programme, "Window to Europe", implemented by Media Consulta. The aim of the media projects is to raise awareness of the EU among Belarusian citizens and to communicate the challenges and opportunities that exist in Europe.

The support for education programmes has had a significant impact on Belarusian society. The EU is supporting the European Humanities University (EHU), which was forced to move to Vilnius, Lithuania, in 2004. In October 2006, the EU launched a major programme to support scholarships for 350 Belarusian students wishing to study abroad. Scholarships are granted to students who have been penalised by the Belarus regime and who have been denied access to local universities as a result of their political activities during and since the presidential elections of March 2006. The EU is financing these scholarships jointly with the Nordic Council of Ministers (NCM) - approximately 85% of the funds come from the EU and 15% from NCM. The programme was launched in October 2006.

In 2007, in co-operation with the Nordic Council of Ministers, the European Commission launched an additional programme to provide support for 300 students - victims of political persecution in Belarus - to continue their studies at EHU (200 students) and in Ukraine (100 students). In the course of 2005-2007, the European Commission supported EHU and Belarusian students to the tune of € 7.7m, and it became the largest donor to EHU. In April 2008, the Commission allocated another € 1m to support EHU. In order to ensure transparent and consistent support to EHU, the Nordic Council of Ministers was setting up a Trust Fund in 2008, intended to pool the financial support of the Commission and other donors, including the bilateral contributions of EU member states.

Since 2007, the Commission has also provided scholarships for Belarusian students within the framework of the Erasmus Mundus Programme. Participation in the Erasmus Mundus External Co-operation Window (EMECW) enables Belarusian students to study abroad at an EU university of their choice.

While the contribution of the EU to dialogue with Belarusian citizens is relatively high, its communication with Belarusian civil society is still relatively low. Applicants for grants complain about the difficulties and the huge administrative requirements. At the same time, some projects, such as the EU-funded "Support to capacity building and networking of Belarusian NGOs and local authorities", are in fact providing support to pro-governmental NGOs as co-operation between independent NGOs and local authorities is hardly possible under the conditions of an authoritarian regime.

Another reason why the Belarus-focused policies of the EU are only in their infancy is the fact that the enlarged EU lacks experience in working with civil society on the European level. This creates difficulties in building a "European network" of NGOs, research institutions and other organisations that would help to develop the EU's "soft power" under the current conditions in Belarus, where state officials, and probably even the majority of citizens, are not open to the promotion of European values.

For this reason, the most important sources for financing democracy assistance towards civil society in Belarus remain individual country donors, namely the US and individual EU member states.

Even if we assume that the main principles and the institutional basis of EU policy towards Belarus are more or less adequate to the needs of the country, and that the EU is starting to extend dialogue beyond the official establishment in Belarus, reaching Belarusian citizens, there remains the problem of the inconsistency of its policies regarding Belarus.

One example was the lack of a clear message to Belarusian elites and citizens at the time of the opening of the Delegation of the European Commission in Minsk on 7 March 2008. Moreover, the EU adopts a routine approach even on the occasion of events such as Human Rights Day or Press Freedom Day, when only general declarations are issued, and

are not accompanied by declarations or events focused on Belarus, despite its proximity as the EU's immediate neighbour.

Within the EU, the degree of attention to Belarus varies significantly among EU members. There has been a visible increase in the EU's interest towards Belarus since the EU enlargement in 2004 and the Belarus presidential elections of 2006. The opening of the Delegation of the European Commission to Belarus marked a significant step, but on the other hand as of 2007 only 11 EU countries had embassies in Belarus. (In 2008, Hungary announced the opening of its embassy in Minsk.)

Individual EU member states also provide a different level of assistance to Belarus. Countries such as Belgium, Spain, Luxembourg and Portugal have not provided any assistance to Belarus. Other countries, such as Austria, Greece (in the period 1997-2002), Ireland and Italy, provide mainly humanitarian aid to Belarus, while France is focused on the support of activities in the areas of cultural, education, university, scientific and technical co-operation.

On the other hand, the United Kingdom, Germany, Netherlands, the V4 countries, as well as the Baltic and Scandinavian states, are actively involved in democracy assistance towards Belarus. The Scandinavian states support EHU, and the UK provides democracy assistance to Belarus directly through the Foreign and Commonwealth Office.

The largest international donor in Belarus is Germany, although much of its support for NGOs acting in Belarus does not concentrate on democracy assistance. Particularly significant is the contribution of Denmark and Sweden. Both countries used to act through their governmental programmes and agencies. Denmark provides support for the strengthening of civil society and independent media in the framework of the Danish Neighbourhood Programme, and in 2006 the Danish MFA financed a project focused on the promotion of free and fair elections. The project, financed by the Danish government, used to be implemented by NGOs, such as International Media Support or SILBA. The latter project was implemented by SILBA in co-operation with the Social Democratic Youth of Denmark. Denmark provides democracy assistance through its civil society programme as well. Sweden provides democracy assistance programmes via the governmental agency SIDA.

The Norwegian Helsinki Committee and Human Rights House Foundation are present in Belarus, and the Netherlands supports Belarusian NGOs through a small grant scheme in the framework of the Matra KAP programme run by the embassy in Warsaw. Among the Baltic states, Lithuania provides the most active contribution to democracy assistance in Belarus. Its capital, Vilnius, is host to a number of Belarusian NGOs whose registration was withdrawn in Belarus, and it hosts both EHU and Human Rights House. Belarus belongs to the top priorities of Lithuanian official development assistance (attracting 23% of total funds), second only to Afghanistan (47%)

Visegrad Four Democracy Promotion Programmes

The V4 NGOs have a long tradition of co-operation with Belarusian organisations. This is particularly true of Poland, yet NGOs from the Czech Republic and Slovakia also started to promote joint activities with their Belarusian partners prior to their integration into the EU, usually with the financial assistance of foreign donors.

A relatively recent phenomenon is financial assistance from the side of the V4 governments for the promotion of democratic activities. This assistance also takes the EU into new territory, previously explored only by Denmark, Sweden and partially Germany. The distinctive features of the V4 countries' "democracy promotion" programmes can be identified in their interest in democratising Belarus and bringing it closer to the EU, in the inclusion in the foreign policy agenda of the new EU member states of a determination to increase the EU's involvement in the post-Soviet region. These activities of the V4 countries represent new ground for the EU as a whole.

The V4 countries, however, differ significantly in the level of priority they give to the EU's European Neighbourhood Policy and to democracy assistance - and this is reflected in the degree of their involvement in supporting Belarusian NGOs (for instance, with the recent exception of ICDT, the absence of Hungarian partner organisations from supporting the non-governmental sector in Belarus, whereas for the other V4 countries and Lithuania, Belarus ranks as one of the priority post-Soviet countries in terms of democracy assistance).

Likewise, the motivation of the individual V4 member states in providing democracy assistance to Belarus is different. On the one hand, for Poland, Belarus is a neighbouring country. Poland's "Eastern" policy, especially towards Ukraine and Belarus, was conceptualised even before 1989 by Jerzy Giedroyc and Juliusz Mieroszewski in terms of the support for their independence in order to guarantee Polish security. On the other hand, for the Czech Republic and Slovakia, the democracy assistance provided to Belarus means above all a moral duty to offer help to people suffering under an undemocratic regime, while also signalling their new identity as recognised, consolidated democracies - and new members of the EU. Slovakia, the Czech Republic and Poland consider Belarus to be a potential future participant in the process of Euro-Atlantic integration.

The reason for the Hungarian "absence" from the democracy assistance provided to Belarus lies in the fact that the priorities of Hungarian foreign policy in terms of democracy assistance have been focused on the region of the Western Balkans, above all Serbia, and on the neighbouring states, particularly on minority issues or on regions inhabited by Hungarian minorities. More recently, signs of greater interest have become evident. In the beginning of 2008, Hungary decided to open its embassy in Minsk, and to donate € 50,000 to EHU.

The different motivations for providing democracy assistance to Belarus, combined with different cultural traditions and historical experiences, play a part in determining the content of activities supported by the V4 countries. Thus, according to the Polish MFA, the priorities include “dissemination of objective information about the present day and history and Belarusian cultural identity, especially in the Belarusian language”. On the other hand, issues of identity do not play an important role in the donors’ policy of either the Czech Republic or Slovakia. Whereas the Czech MFA is predominantly focused on issues of human rights and - since 2006 - support for Belarusian students, Slovak NGOs and the Slovak MFA have been actively involved mainly in third-sector capacity-building projects, particularly in the training of NGO activists and in the development of an independent analytical community in the country. Nevertheless, in recent years partner organisations from the Czech Republic and Slovakia have realised the need for support for cultural projects in today’s Belarus as well.

Poland’s long-standing experience and potential for co-operation with Belarus have naturally affected the extent of co-operation with Belarusian partners. Polish NGOs are more actively involved in co-operation with Belarusian partners based outside the capital city, Minsk, than their Slovak and Czech counterparts.

The institutional framework of democracy assistance policy provided by the individual V4 governments is different as well. In Slovakia and in Poland, the official democracy assistance policy is considered to be a part of ODA. In Poland, NGO projects in Belarus are selected by officials from the territorial unit of the MFA (responsible for Eastern Europe) and the Development Co-operation unit, overseeing the technical conditions of the bids. In the Czech Republic, the Transition Promotion programme concept was adopted in April 2005 as the official strategy of Czech democracy assistance. It is managed by the Transition Promotion unit, an autonomous unit of the MFA with its own budget. In 2008, the unit merged with the Department of Human Rights into the new Human Rights and Transition Policy department (H RTP).

Visegrad democracy assistance projects for Belarus are usually implemented by V4 NGOs. In Slovakia, they have been performed exclusively by NGOs, whereas in the Czech Republic and in Poland the state institutions are directly involved in certain projects. For example, the Czech MFA published an unofficial translation into Belarusian of the resolution in 2005 of the UN Human Rights Council and the report of the Special Rapporteur, Adrian Severin. The Polish government provides funding for Polish government media initiatives, which currently take up a higher share of the budget than NGO projects. Warsaw is actively involved in support for “Radio Racyja” and the “Belsat” TV channel for Belarus. The Polish government was also an initiator of the Konstanty Kalinowski Scholarship Programme.

The funding for the activities of V4 NGOs comes from either national governments or foreign donors, both public and private. The Stefan Batory Foundation in Poland is the

largest non-state grantor based in the V4 countries, but its programmes for Belarus are financed by other sponsors, thus the Batory Foundation is in effect re-granting the funds.

Due to the relatively small amount of financing from the state budget, as well as the long traditions and good reputation of V4 NGOs in Belarus, their projects are very often financed or co-financed by foreign donors. The most active in co-operation with V4 NGOs are donors from the US, namely the National Endowment for Democracy (NED) and the German Marshall Fund of the United States (GMF). The projects of some Visegrad-based NGOs are financed by European donors, such as the Westminster Foundation for Democracy, the Norwegian Human Rights House Foundation, and Radio Free Europe/Radio Liberty.

Other donors supporting democracy assistance projects implemented by V4 NGOs include the Open Society Institute (OSI) and the European Commission, but their visibility is lower than in the case of the American donors. As a result, those NGOs from V4 countries focused on democracy assistance in Belarus sometimes attract criticism within Belarus that they represent US interests.

The co-ordination of policies towards Belarus at the Visegrad Group level remains at an early stage of development. The V4 countries have to date developed democracy assistance programmes principally at the national level. The first major joint activity was the participation of representatives of Belarusian NGOs at the 15th meeting of V4 culture ministers in Cracow (3-5 September 2006), which proclaimed a more active participation of Belarusian partners at events financed by the International Visegrad Fund. The promotion of joint activities towards Belarus was also the objective of the Slovak presidency of the V4 (July 2006 - June 2007). Joint multilateral activities of the Visegrad Group towards Belarus are taking shape in the case of the International Visegrad Fund’s scholarship programme (In-Coming Scholarships): in the academic year 2007/2008, scholarships were granted to 12 Belarusian students to study in one of the V4 countries (three in the Czech Republic, three in Hungary, two in Poland, and four in Slovakia).

On the national level, the scholarship policy for Belarusian students is different. To a large extent, it is developed in Poland within the framework of the dedicated Konstanty Kalinowski Scholarship Programme, directly targeting Belarusian students. Several scholarship programmes targeted at students from Belarus were implemented in the Czech Republic after the presidential elections of 2006. In the case of Slovakia, students from Belarus are eligible to apply for the National Scholarship programme under the same rules as the citizens of EU member states and other countries participating in the Bologna process.

Even though the NGOs from V4 countries have well-established partner contacts with other V4 NGOs, these contacts are seldom transformed into direct co-operation in implementing joint projects for Belarus. One of the exceptions is the Belarus Public Policy Fund

programme of the Pontis Foundation in Slovakia, whose activities were co-financed by the Transition Promotion unit of the Czech MFA. Another example is the co-operation between People in Need (PIN), which is focused on supporting local activists, and Poland's East European Democracy Center. Both organisations regularly arrange visits of Belarusian opposition activists to Poland and the Czech Republic.

There are several reasons why the V4 should increase their co-operation in promoting democracy in Belarus, including the history of the Visegrad Group itself and the group's goals to reconstruct the region of Central and Eastern Europe, to establish democratic societies and to join Euro-Atlantic structures. The Visegrad Group is an intellectual project based on the historical experience of former dissidents, built upon the understanding that Central and Eastern European nations share a common fate. Currently, the key message of the Visegrad experience is the relatively successful model of transition that these countries have developed.

On the other hand, there are also more pragmatic reasons why the Visegrad Group should help Belarus, which include the desire of all Visegrad Group members to have a stable and predictable partner with common political values on its eastern borders. The experiences with Ukraine are another reason why the V4 countries want to further develop their co-operation with Belarus. The developments after the Orange Revolution in Ukraine particularly reveal the need to build extensive alliances, especially in terms of promoting a country's EU membership. To date, the V4 countries have not been highly influential in the EU, with the exception of Poland, but if co-ordinated they can provide Poland with the necessary support to push their common agenda.

The recent changes in Hungarian policy provide an impetus for enhancing co-operation among the V4 countries. At the same time, Hungary is only now drafting its priorities regarding Belarus and looking to create its own Belarusian policy. According to the first statements of the new Hungarian Ambassador to Belarus, Ferenc Kontra, economic interests mainly underpinned the decision to open an embassy in Minsk.

Nonetheless, Hungarian priorities in Belarus include strengthening co-operation in academic, cultural and student exchanges. If there is a need to build a pro-Belarusian alliance within the framework of the EU, then Hungary should be integrated into such an alliance. The Visegrad Group provides the best framework for Hungarian involvement.

There is great potential for co-operation in the framework of the Visegrad Group on the level of the heads of the V4 diplomatic missions in Minsk. There are no regular contacts or meetings of the heads of missions, yet there should be space for more informal discussion on forging common positions towards Belarusian authorities and for the co-ordination of democracy assistance policies towards Belarus, including the organisation of common events targeting Belarusian audiences.

The overall impact of the V4 countries' democracy assistance in Belarus is considerable, mainly in terms of the change of the perception of the "Belarusian issue" in the EU. The EU accession of some post-communist countries in 2004 contributed to substantial changes in the EU policy towards Belarus.

The interest of EU institutions in Belarus has increased, although the presence of the EU in Belarus is still not very visible. The "non-paper", entitled "What the European Union could bring to Belarus", published in November 2006, describing the benefits on offer to the country upon fulfilment of improvements in the field of human rights, remained largely unnoticed, as is the EU presence as a donor for Belarusian civil society. The European Commission is often criticised for a high degree of bureaucracy and an unwillingness to support projects that could become the subject of political confrontation with the Belarusian government.

In spite of the relatively small amounts of funds that comprise V4 financial aid, Belarusian partners appreciate the co-operation with V4 partners - both NGOs and governments - as they can understand the current situation in Belarus, and their democratisation experience is partially applicable in Belarus.

In many cases, the joint project implementation has emerged from the result of long-term official or informal contacts between Belarusian NGOs and their V4 partner organisations, often having worked together on joint projects financed by donors from third countries. The majority of the Belarusian partners find the character of co-operation with the V4 countries positive and a relationship based on equal partnership.

From a technical point of view, the most negative examples of V4 donor policies, such as the requirements to interact with state authorities or to have an official bank account, have been abandoned. For security reasons, it is often impossible to meet the requirement of official accounting documents and invoices for some items (such as the purchase of printing paper or colour printing, etc). The requirement to keep project documentation for a period of three years also poses a security risk for NGOs, and jeopardises the safety of project participants under the current conditions. The lack of donors' understanding of security issues is the main concern expressed by representatives of Belarusian NGOs.

As for the donors' requirements for project contents, objections are raised mainly to the donors from the US and to European donors who implement projects financed from the US; for example, there was a split in the NGO community prior to the 2001 presidential elections as a result of the donors' policies and conflicts between the donor structures. Similar objections were raised to the donors' requirement that vertical opposition structures should be formed.

If there is a trend characterising the democracy assistance projects provided by V4 NGOs, it is their internationalisation. This is the case of TV Belsat that was initially launched as a

Polish national programme, but for which the Polish government is now seeking partners for co-financing of the project, for instance British and US donors.

Examples of bad donor policies have included cases when the recipient organisations perceive their activities in the framework of an ambition to gain political control over the Belarusian non-governmental sector or when projects are performed without the active participation of Belarusian partners during the conceptual preparation and implementation. In turn, the greatest success has been achieved in the case of projects where the relations between Belarusian NGOs and their V4 partners has been based on equality, partnership and respect for the autonomous position of the Belarusian organisations.

The policies of different donors have resulted in many instances in a lack of continuity in the financing of some particular projects. In such circumstances, the local NGOs cannot develop its activities systematically, leading to wasted human potential and financial resources.

There is a persistent dilemma between the distribution of financial sources on project implementation and on the institutional development of the organisations. The majority of the projects financed by the V4 governments are focused on project implementation, yet the lack of resources for institutional development has a crippling effect on the NGOs' ability to implement projects successfully.

Czech Republic

Values-oriented diplomacy plays a distinctive role in Czech foreign policy. The Czech MFA initiated very close co-operation with NGOs in the field of democracy assistance, and the majority of the projects it funds are implemented by NGOs. When the target countries of Czech democracy assistance policy were drawn up in 2005, the list was developed in consultation with the Czech NGO, People in Need (PIN). Since the Czech Republic's democracy assistance budget is separate from ODA, the MFA can easily work without the permission of the host country, which is very important in the case of countries with undemocratic regimes.

Belarus is regarded as one of the most important recipient countries of Czech democracy assistance - owing to the lobbying of PIN and the influence of former President Václav Havel. In 2006, the year of the presidential elections, Belarus occupied the top place as the target country of Czech democracy assistance.

PIN has a long tradition of co-operation with Belarusian NGOs, and the Belarusian programme of People in Need was founded in March 1998 with the principal objective of supporting the development of independent democratic initiatives and media in Belarus. PIN provides independent information on recent developments in Belarus and support for alternative culture in Belarus. PIN renders assistance to politically persecuted individuals, including direct financial aid. The organisation is actively involved in the development of a dialogue between Czech politicians and officials dealing with foreign affairs and representatives of Belarusian civil society. PIN also focuses on the sharing of the Czech experience of democratic transformation after 1990, and has organised study trips to the Czech Republic for lawyers, economists, teachers and ecologists from Belarus as well as the visits of Czech experts to Belarus. PIN was the initiator of scholarship programmes for Belarusian students expelled for political reasons from universities in Belarus. The programme of support to the victims of political persecution and the discussions on the Czech transition were financed by the Czech MFA, while another programme, aimed at the education of law students and support to local activists, was co-financed by the Westminster Foundation for Democracy and NED.

CHANNELLING INDEPENDENT NEWS INTO BELARUSIAN HOMES

International Association Civic Belarus was established in 2004 to support democratic initiatives and diverse ways of developing civil society and free media in Belarus. The organisation is focused on assistance to Belarusian civil society, including organisations that are not allowed to work in Belarus legally. Together with other international partners, Civic Belarus supports the broadcasting of the European Radio for Belarus. The main impact of the project is the dissemination of independent information inside the country.

Although the Radio is headquartered outside Belarus, the project is open to correspondents and authors from Belarus. The Radio targets mainly young

people, combining news and entertainment. According to public opinion polls conducted by ISEPS (Independent Institute of Socio-Economic and Political Studies), the audience has grown to over 16% in the Brest region, while nationally the share of listeners stood at level 5.1 % in 2006. In September 2007, it was the most popular external broadcast channel in Belarus (reaching a rating of 7.1%).

The organisation is one of the international partners of the Human Rights House project in Vilnius, which provides institutional help to Belarusian NGOs that cannot develop their activities in Belarus. The programmes of Civic Belarus are financed partially by the Czech MFA of the Czech Republic, and co-financed by NED and the Norwegian Human Rights House Foundation.

Association for International Affairs (AMO) implemented in 2006 the project “European Alternative for Belarus” aimed at the promotion of European integration among Belarusian teachers and the younger generation. In the framework of the project, discussions and seminars with Czech experts were organised in Belarus. The project was co-financed by the Open Society Foundation in Prague.

Slovak Republic

Belarus was not mentioned in the first documents laying down the institutional framework for Slovak development assistance. Even in 2003, when the Mid-Term Strategy of Official Development Assistance for 2003-2008 was adopted, Ukraine and Belarus were not included as they were ineligible for ODA. Both countries were placed in the category of official assistance (OA), and in 2004 the government allocated SKK 10m from the national ODA budget to OA projects in both countries.

Democracy assistance officially became an integral part of Slovak foreign policy in November 2004, when the Parliament approved the *Mid-term Strategy of the Foreign Policy of the Slovak Republic until 2015*. According to the *Orientation of Slovakia’s Foreign Policy for 2007*, adopted by the Slovak MFA and Parliament, the priority of Slovak policy towards Belarus was “to support democratic forces in Belarus in their endeavour to uphold human and political rights and simultaneously develop bilateral relations within the framework of EU policies... The Slovak Republic shall continue to pursue a balanced policy of reacting to [Belarus’s] internal political situation, which suffers from a deficit of democratic principles and international isolation of the country. The Slovak Republic shall continue to lead a restricted dialogue with the government and support the development of democracy and civil society.” Efforts to bring Belarus closer to European values were also mentioned in the *Orientation of Slovakia’s Foreign Policy for 2008*.

Belarus plays an important role in Slovak democracy assistance policy. In 2004-2007, eight Slovak democracy assistance projects were implemented in Belarus. In fact, democracy assistance projects were the only projects financed in Belarus in the framework of Slovak ODA, with no projects focused on either technical assistance or humanitarian aid. Seven of them were implemented by NGOs, one by a university. The only countries where more Slovak democracy assistance projects were implemented were Serbia, including Kosovo (27), which is considered as the top priority country, the so-called “programme country”, and Ukraine (11).

In the case of Belarus, democracy assistance remained a priority of Slovak ODA even after its institutional reform and the establishment in 2007 of the Slovak Agency for International Development Co-operation (SAMRS) with its preference for more infrastructure

projects. Financially, the share of the overall amount of Slovak ODA funding that was allocated to Belarus in 2004-2007 was 2.14% (SKK 7.953m out of a total SKK 352.135m). Slovakia played an important role in Belarus in the second half of 2007 when the Portuguese EU Presidency was represented in Minsk by the Slovak Embassy.

Pontis Foundation is the most active Slovak organisation in Belarus. The organisation played a crucial role in lobbying for the inclusion of Belarus in Slovak OA (later ODA) in 2004. Pontis Foundation is distinguished by its innovative approach: after the first projects, focused on the development of civil society in Belarus and the electoral mobilisation of citizens - where Pontis shared its own experience of the mobilisation of Slovak citizens, especially the younger generation, before parliamentary elections in Slovakia in 1998 - the organisation shifted its focus to strengthening links among independent think-tanks and civil society in order to define viable reform strategies for the post-Lukashenko period. The further development of this idea after 2004 led in 2006 to the establishment of the Belarusian Public Policy Fund - a scheme of small grants for Belarusian researchers in the field of social and economic sciences. Other projects aimed at strengthening the capacity of the analytical community were financed from different sources. Besides the Slovak MFA, the donors included NED and the European Commission in the framework of EIDHR.

The activities of the **Institute for Public Affairs (IVO)** were focused on the development of alternative political and economic strategies for Belarus and on the transfer of the democracy know-how of Slovakia. The project, “Belarus After the Presidential Elections: Policy Alternatives for a New Era”, financed by GMF, contributed to the strengthening of co-operation between Slovak and Belarusian experts as well as to raising awareness among the Slovak wider public of the current situation in Belarus. One of the outcomes of this co-operation was the publication in Belarusian of the book, *Slovak Hope: Lessons Learned from Democratic Transformation in Slovakia*, which has been launched and distributed in Belarus.

Poland

Belarus is one of the priority countries for Polish democracy assistance. Poland and Polish NGOs have a long tradition of co-operation with their Belarusian counterparts, and in 2004-2008 the number of Polish MFA-commissioned NGO democracy assistance projects implemented in Belarus was second only to the number of projects in Ukraine (20% of the number of projects, compared with 44% in Ukraine).

In 2007, Belarus was the single largest recipient of Polish MFA-funded assistance projects, with PLN 26m (or 28.9% of the total), followed by Ukraine, where PLN 15m was allocated.

A relatively small share of the total MFA assistance was assigned to Polish NGOs working in Belarus - a mere PLN 2.6m or 10% of the funds for projects in Belarus.

The largest number of projects was targeted at the development of independent media and the support of access to information (50% in 2008), followed by support for NGOs and civil society (25%), and support for education and youth projects (17%). Whereas co-operation with local government and projects aimed at regional development shaped 67% of the projects supported in 2004, in the next year it was only 10%. Since 2007, the Polish MFA has not financed any projects developed with local government or dedicated to the promotion of European integration (which was a major item in the programmes for the other post-Soviet priority countries, Georgia, Moldova and Ukraine).

The overall amount of development assistance provided to Belarus in 2008 remained at the same level, standing at PLN 26m. This figure includes projects implemented by NGOs, as well as support for large projects implemented by the government, such as the Belarusian Radio Racyja, broadcasting in Belarusian on the territory of Belarus from Poland and Lithuania. Funding from the Polish state budget is also given to TV Belsat, which is managed by the public Polish TV. One of the most important programmes supported within the framework of Polish democracy assistance has been the Konstanty Kalinowski Scholarship Programme directed at students expelled from Belarusian universities due to their involvement in activities aimed at promoting democratic values.

Poland is Belarus's only neighbour among the V4 countries. Therefore it has the best developed network of co-operation with NGOs acting in the regions, particularly in the Grodno region in western Belarus. From the point of view of sustainability, it is worth singling out the unique project of the Belarus School of Journalism, implemented in co-operation with the Centre for Support and Development of Civic Initiatives Opus. The project has been underway for 11 years, focusing on the training of young journalists in the Grodno region and on the organisation of independent publishing activities. Its main impact can be measured in terms of the number of graduates working in local and regional media, while many of the graduates find work in NGOs.

Among Polish NGOs, the largest amount of assistance to promote democracy in Belarus is provided by the East European Democratic Center, which is focused on the support of independent media and on the support of the publication and distribution of independent literature in Belarus. The Poland-Belarus Citizen Education Centre Association from Białystok has developed co-operation between Polish and Belarusian NGOs in the Grodno region.

The Stefan Batory Foundation, established by George Soros in 1998, is Poland's largest non-governmental domestic grantmaker supporting democracy assistance programmes. The foundation implements its own "International Co-operation Programme", whose objective is to support active EU policies towards the eastern neighbours, strengthen civil

society in Central and Eastern Europe, and initiate public discussion on EU international policy in Poland and in Europe. Several projects are aimed at Belarus, focusing on the promotion of cross-border contacts and facilitation of the EU visa regime. Besides its own operational programmes, the foundation re-grants funds as the administrator of the OSI East-East Partnership Beyond Borders Programme, and the Citizens in Action Programme funded by the Ford Foundation, which runs from 2003-2009, providing grants in support of democratic change and the development of civil society in Belarus and Ukraine.

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Endnotes

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A Closely Watched Democracy

Democracy Assistance Policies of the Visegrad Four Countries: Bosnia and Herzegovina

Sanida Kikić

Bosnia and Herzegovina (BiH) is a country in transition from a communist legacy to a democratic as well as an open market system. The transition process in BiH is not unique, considering that since 1989 other post-communist states in Europe have undergone similar changes. However, unlike the vast majority of the transition countries, BiH was plagued by a tragic war from 1992-1995 that exacerbated and prolonged its transition process. Bosnia and Herzegovina's post-war recovery has been, and continues to be, a difficult process, which is greatly shaped by the international community.

Since 1995, substantial amounts of money have been invested by various international actors with the aim of promoting BiH's transition to a stable democracy and free-market economy. Understandably, international development assistance initially focused on securing and stabilising the country as well as on rebuilding its war-torn infrastructure. Part of the international funding was also used for democracy assistance.

Namely, various international actors have supported, and continue to support, "policies and projects aimed at helping [BiH] build institutions of democratic governance, foster public participation in democratic governance, support pluralism in the shape of multi-party politics, freedom of expression and independent media, promote and protect human rights, and work towards establishing the rule of law".

Traditionally, the biggest international donors in BiH have been governmental, inter-governmental and non-governmental organisations (NGOs) associated with the United States and Western Europe, yet in recent years some countries from Central Europe have become more involved in the field of general development assistance as well as democracy assistance to BiH.

Since the enlargement of the European Union (EU) in 2004, some of the new member states have increased their commitment to bringing about positive change in BiH.

KEY CONCLUSIONS

The democracy assistance programmes of the V4 countries are at a relatively early stage of formation. Notably, there is a limited amount of funding and number of projects coming from the V4 countries for democracy assistance in BiH. Moreover, the V4 countries' democracy assistance work is not very visible to the wider community beyond those who have directly participated in the V4 projects.

This is first and foremost because most of the V4 democracy assistance projects donors are not large in scope, especially when compared with other international donors active in this field, such as the United States Agency for International Development (USAID), the Organization for Security and Co-operation in Europe (OSCE), and the Delegation of the European Commission to BiH. This relatively low visibility may also indicate that these projects are poorly targeted, and that they do not fill the gaps in democracy assistance projects sponsored by big donors.

The key conclusions resulting from the research, in particular from the interviews with various local actors working on democratisation issues in BiH relevant for the V4 countries, are as follows:

- The V4 countries are seen as very supportive of BiH in general, and of BiH's EU membership candidacy in particular. As such, they are highlighted as possible key actors in helping BiH with its EU integration process. Should the V4 countries decide to focus their democracy assistance work in this direction, this would undoubtedly be well received by local actors.
- The work of the Slovak, Hungarian and Czech embassies in the field of democracy

assistance in BiH is regarded very positively. NGO recipients of project grants from the V4 embassies report fruitful co-operation with the respective embassy representatives. Moreover, the Slovak, Hungarian and Czech Ambassadors have consistently been praised for their involvement in issues related to democratisation in BiH. Their knowledge of the local language also makes them stand out. The role of the Embassies in promoting democracy in BiH should be focused and strengthened with regard to V4 future democracy assistance policies, and there should be less reliance on the personal charisma of the ambassadors and more on systemic solutions.

- There is a degree of skepticism towards promoting regional co-operation among the V4 countries as a model for co-operation between BiH and its Western Balkans neighbours. Any efforts towards transferring such a model of regional co-operation to the Western Balkans countries would need to take into account the regional co-operation bodies already established through the Stabilisation and Association process, such as the Regional Co-operation Council (RCC). Such efforts should be complementary to the work of the RCC, and would need to be pursued through high-level diplomatic channels.
- One of the crucial issues for the development of democracy in BiH is the strengthening of the civil society sector. This could prove to be an area where V4 countries could focus their democracy assistance policies. However, since a plethora of international actors have been very active in addressing this particular issue, V4 activities would require substantial co-ordination with other international actors and should involve careful

prioritisation in terms of the types of assistance and organisations that should be supported.

POLICY RECOMMENDATIONS

Having an understanding of BiH's political, economic and social situation is essential to making quality recommendations for international actors wishing to engage in development assistance. There is a clear consensus that democracy in BiH needs to be strengthened. Given the number of both private and public donors addressing a fairly wide spectrum of issues, the V4 countries should narrow their focus to a specific set of issues where their contribution could provide most value-added to democracy building efforts.

Thus, in strategising their democracy assistance to BiH, the V4 countries should take into account the following factors:

- the level of financial commitment available for democracy assistance in BiH;
- the weak areas of BiH's democracy, where Central Europe's transition experience would be useful for promoting change; and
- the activities of other international actors in promoting change in particularly weak areas of BiH's democracy in order to ensure that the efforts are complementary.

The V4 countries should co-operate with local actors already active in democracy-building in order to better formulate an effective strategy for achieving the desired goals of democracy assistance policy.

Taking all the above factors into consideration, the following course of action is recommended:

- The V4 countries should significantly improve the co-ordination of their democracy assistance programmes. Co-operation could take the form of setting up a permanent committee of ambassadors in BiH, which would meet regularly in order to exchange information and co-ordinate priorities in this area. A long-term and potentially more effective solution would be to set up a joint Visegrad Democracy Fund for BiH. Such a fund would support projects by BiH NGOs active in democracy building, implemented in co-operation with V4 NGOs.
- V4 democracy assistance programmes should support the building of a vibrant and sustainable civil society in BiH. In order to achieve this aim, their funding should not be limited to support for individual projects. An alternative approach would be to establish long-term partnerships with selected NGOs, which might then receive multi-year institutional funding, enabling institutional development of these NGOs as well as helping them to build the capacity, sustainability and co-funding in order to be able to bid successfully for grants from larger donors.
- V4 democracy assistance programmes should encourage co-operation between V4 civil society and BiH NGOs by funding projects that incorporate the participation of a V4 partner. Additionally, programmes could encourage regional co-operation in the Balkans by instituting trilateral projects, with the participation of at least one NGO from BiH, one from a V4 country, and one from another Balkan country.

- In order to better utilise their specific know-how regarding the transition to democracy and the European integration processes, the V4 countries should help strengthen BiH think-tanks/policy research institutes. The emergence of effective independent think-tanks can provide an important stimulus to wider public debate and public participation in democratic decision-making. BiH think-tanks should be encouraged (and supported financially) to act as watchdogs of policies implemented by the BiH administration. The management and researchers of BiH think-tanks could be trained through study visits and internships with their V4 counterparts on future project work.
- Scholarships and study visits to V4 countries should be supported for young democracy activists and academics, and programmes should be developed to assist the emergence of a new generation of democratically oriented citizens of BiH by supporting youth and NGOs engaged in activism for democracy.
- Through sharing their own experience, the V4 countries could make a significant contribution to the strengthening of dialogue between political actors and civil society groups in BiH. Although substantial progress has been made on this issue with the adoption of the Agreement between the BiH Council of Ministers and the NGO sector, implementation of this agreement will be difficult. V4 NGOs could share their experience of establishing civic dialogue with the governments in their respective countries. This should include NGO/public administration co-operation on other levels of government, not just the central state level.
- The V4 countries are uniquely placed to assist BiH in the process of European integration by sharing the know-how acquired in their own EU accession. The BiH government receives a report on the country's progress towards fulfilling EU requirements for the accession process, which, *inter alia*, addresses issues related to strengthening democracy. That report could be used as inspiration for the setting of the priorities of V4 democracy assistance related to EU integration.
- V4 grants should also assist BiH authorities and NGOs in bidding for EU grants through advice and technical guidance about applying for EU funds for different sectors. Moreover, V4 countries could help secure EU funding by providing BiH NGOs with the required matching funding. Such funding could be used by BiH NGOs to seek the involvement and expertise of V4 NGOs as partners in such EU-funded projects.
- Finally, V4 countries should continue at the EU level to support politically BiH's bid for membership, and to press for liberalisation of the EU visa application regime for BiH citizens.

Understanding and Evaluating Democracy in the Context of Bosnia and Herzegovina

BiH's political arrangements

The Dayton Peace Accords (DPA), negotiated in Dayton, Ohio, in November 1995 and signed in Paris on 14 December 1995, brought an end to the conflict in BiH by establishing a very fragmented and ethnically divided state. Two distinct and substantially autonomous entities were created - with the Federation of BiH (FBiH) comprising 51% of BiH's territory and the *Republika Srpska* (RS) comprising the remaining 49%. While RS is fairly ethnically homogenous as the vast majority of its population are Bosnian Serbs, FBiH is ethnically heterogeneous - mostly populated by Bosnian Croats and Bosnian Muslims. The latter point is significant as it helps to explain the further division of FBiH into 10 fairly autonomous cantons. Additionally, in March 1999, Brčko District (which straddles the two entities) was established as a self-governing administrative unit under the BiH state.

The extensive fragmentation of the BiH state means that this small country of approximately four million inhabitants has 14 different constitutions and 14 distinct governments with their own legislative powers and a high degree of autonomy. The physical and political break-up of the state is based on the principle that the three constitutive peoples of BiH - Serbs, Croats, and Bosniaks - should be represented in government, and their respective rights should be protected from infringement by the others. Notably, the DPA also established the Office of the High Representative (OHR), authorised to oversee the implementation of the civilian aspects of the DPA. The Peace Implementation Council (PIC), consisting of 55 countries and agencies, finances and overviews the work of the OHR through its "executive arm", known as the Steering Board (SB).¹

Since its inception, the OHR has had substantial influence in shaping BiH's reconstruction process, especially through the High Representative's "Bonn powers", which effectively allow the High Representative (HR) to impose laws at any level of government and to dismiss any elected or appointed officials within BiH's various administrative structures if they are deemed to have acted against the Dayton Peace Agreement.²

While the OHR publicly maintains that enacting the Bonn powers is one of "the most important milestones in the peace implementation process", it also stresses that "nonetheless, the governing principle of the OHR's engagement in Bosnia and Herzegovina is the concept of domestic responsibility... for the peace process and the problems that [the] country faces."³ However, the strengthening of the HR's mandate has created a political paradigm characterised by the powerful role of the international community in promoting reforms that by the early 2000s were indisputably coupled with the possibility of future EU membership for BiH.

The evolving role of the EU

The break-up of the Socialist Federal Republic of Yugoslavia (SFRY) in 1991-1992 clearly illustrated the inability of the EU to effectively address the events unfolding on the European continent. Both academics and policymakers have asserted that the EU failed due to a lack of a coherent strategy among the member states towards the region, and also due to a lack of adequate capacity to address the escalating violence and brutality in the republics of the SFRY.

While the EU's efforts were inconsequential in bringing the war in BiH to an end, through its post-war involvement in the country, the EU has established a crucial role in politically, socially and economically reconstructing the BiH state. Notably, the growing EU commitment to BiH's future membership bid has predictably increased the prominence and the significance of the EU's role within the post-war state.

This commitment commenced in earnest in 1999 with the launch of the Stability Pact for South Eastern Europe. The Stability Pact helped pave the way for the opening of negotiations on the Stabilisation and Association Agreement (SAA) between the EU and BiH that ought to lead to candidacy for EU membership. The requirements articulated by the EU in such agreements as the EU Road Map and the 2003 European Commission Feasibility Study aimed to create a stable and viable BiH state through the implementation of EU norms in BiH. Thus, the Feasibility Study focused on reforms related to democracy and the rule of law, market and trade liberalisation, and justice and home affairs.⁴

Even though certain conditions stipulated in the Feasibility Study had not been satisfactorily completed by the BiH officials, in October 2005 the European Commission's Delegation to BiH recommended the opening of SAA negotiations with BiH. In December 2007, after the resolution of the political crisis that gripped BiH in October-November 2007, the EU Enlargement Commissioner, Ollie Rehn, initialled the SAA with the BiH government. The SAA was signed by the EU and BiH in June 2008. BiH still has to make progress on certain outstanding issues, such as police reform and reform of the public broadcasting system in FBiH in order to continue on the road towards EU membership.

Since the onset of the 21st century, the EU has increasingly committed itself to being the primary international actor, whose presence is meant to guarantee a stable, secure and viable BiH state. Subsequently, the role of the most powerful international actor within BiH, that of the High Representative, became related to the EU through an EU Council decision in February 2002. At that time, the Council made the decision that the next HR would also have the role of the European Union Special Representative in BiH (EUSR).

The panoply of EU missions currently deployed in BiH includes the European Commission Delegation to BiH (Commission), European Union Force in BiH (EUFOR), European Union Police Mission (EUPM), and the double-hatted EUSR. Through these various organisations

and through the carrot of membership, the EU has the power to shape BiH's current and future development, including progress in the field of democratisation. Furthermore, the ability of governmental and non-governmental organisations from the individual EU member states to promote change in the field of democratisation in BiH is also affected by the EU's policies and actions in this particular field.

Evaluating democracy in BiH

Bosnia and Herzegovina's political arrangements have profound implications for the development of democracy and a democratic culture among the citizens of BiH. In theory, BiH has all the mechanisms associated with democracy, such as free and fair elections, a parliamentary system of government, the rule of law, respect for human rights and freedom of association, among others. Unfortunately, in practice, these mechanisms of democracy are not well developed and are open to abuse by various powerful actors. More alarmingly, even after almost 13 years have passed since the establishment of democracy in BiH, the democratic spirit of the citizenry is severely lacking - which damages the social, political and economic development of BiH, as well as the legitimacy of democracy itself.

The uniquely powerful role of the international community via the Office of the High Representative/EU Special Representative and via the Bonn Powers reflects the most obvious shortcoming of democracy in BiH. The High Representative's Bonn Powers have made BiH's political leaders ultimately more accountable to the international community than to the citizens of BiH. Furthermore, the Bonn Powers devalue the role and effectiveness of the legislative and judicial bodies in BiH, so that citizens are certainly less likely to think their vote matters when the ultimate power lies with the High Representative.

The fragmented nature of the BiH state, as codified in the DPA and the BiH Constitution, which is set out in Annex 4 of the DPA, hinders the full development of democracy and a democratic culture in BiH. In order to broker a peace agreement, it was necessary to ensure a system of checks and balances so as to decrease the security threat posed to one another by each of the ethnic nationalities. This elaborate system of checks and balances created a bloated public administration structure that absorbs approximately 60% of the overall budget in BiH. Moreover, the elaborate system of checks and balances effectively prevents anyone other than the Croat, Serb, or Bosniak peoples from playing a part in the government and public administration, meaning that BiH cannot truly be considered a representative democracy when other minorities are *de jure* excluded from power.

The fragmented composition of the BiH state and the BiH Constitution initially made the state very weak until 2000, when the OHR aggressively pursued reforms that helped build up the BiH state. For the purposes of EU integration, these reforms attempted to enlarge the state's competencies and strengthen the state institutions, thus weakening the power of the entities. Notably, RS has in recent years taken great issue with the transfer of

powers from the entity to state level, and its leaders have recently publicly questioned the long-term viability of the BiH state. As pointed out by Anna Jarstaad, writing about international assistance to democratisation, “when the legitimacy of the state is contested and the loyalty of citizens rests with sub-state entities or other states or political organisations, the prospect for democracy is weak”.⁵

However, securing the support of the three main ethnic groups for amending the constitutional arrangement of BiH has proven to be an extremely difficult feat to achieve, and will likely remain so in the near future. Notably, a USAID Bosnia and Herzegovina Democracy and Governance Assessment, published in May 2007, analysed five key elements of democracy: consensus, governance, the rule of law, competition, and inclusion - and found that consensus is “the most serious obstacle to continued democratic development in BiH”, followed closely by poor governance.⁶ To put it more precisely, the lack of consensus among BiH politicians and citizens about their vision of the type of country where they live represents a huge impediment to substantial development of democracy in BiH.

During interviews conducted with individuals from government institutions as well as from international organisations and local NGOs, agreement was evident around the view that BiH cannot be considered a successful democracy.⁷ Overall, government accountability and effectiveness are sorely lacking, which is explained in part by the above-mentioned factors. For example, Ivan Barbalić, President of the Alumni Association of the Centre for Interdisciplinary Postgraduate Studies (ACIPS), stated that in BiH civil society has failed to reach a threshold where it is able to punish or reward those in power at various levels of government, as it should be able to do in a true democracy. Instead, civil society’s potential goes to waste to the detriment of the country.

It should be noted that in the context of BiH, the terms “civil society” and “NGOs” are used interchangeably, and that the term “civil society” does not encompass the ordinary citizens of BiH. This distinction is important because civil society or NGOs have established themselves as actors promoting and strengthening democracy in BiH, while individual citizens of BiH are generally seen as lacking in “democratic spirit”, and tend not to be deeply involved in civic participation and in the democratisation of the country.

However, the most worrisome and “depressing” trend is the decreasing level of citizens’ involvement in BiH. According to polls conducted by the OSCE, BiH citizens harbour substantial mistrust towards the government and they do not believe that there is merit in getting engaged, as it is hard to change the situation in BiH.⁸

Despite the efforts of organisations such as the OSCE, encouraging BiH citizens to get involved in any sort of political activity remains very difficult. This is troubling, not least in the light of the positive strides made by NGOs to become more involved in policy decision-making at all levels of government, because this was accomplished without the mobilisation or involvement of a critical mass of BiH citizens. Therefore, many citizens are

suspicious of NGOs in BiH, and they tend to view the vast majority of them as serving their own self-interests instead of the interests of society in general.

These factors provide only a brief illustration of some of the main issues constraining the development of democracy and a democratic culture in BiH, given that evaluating the maturity of BiH’s democracy is a daunting task. In 2006, a fairly exhaustive study led by the Open Society Fund Bosnia & Herzegovina attempted to do just that in a 500-page report entitled *Democracy Assessment in Bosnia and Herzegovina*.⁹ The study focused on four specific spheres related to democracy: citizenship law and rights, representative and accountable government, civil society and popular participation, and international dimensions of democracy. Overall, the report found that substantial improvements will be needed in these various spheres if BiH is to become a true democracy.

International Democracy Assistance in Bosnia and Herzegovina

Once the DPA had been signed, substantial funds were invested in BiH’s post-war recovery and reconstruction effort, and a part of those funds were channelled into activities meant to democratise the country.

Democracy assistance funding in BiH

Two major factors impede the analysis of international democracy assistance funding to BiH. Firstly, there is a lack of solid statistical data about the aggregate levels of international development funds that poured into BiH after the end of the war. Secondly, democracy assistance has generally not been clearly separated from official development assistance by international donors, so even if precise aggregate data about international assistance funds were available, actual data on democracy assistance would still be lacking. Notably, many countries, including some of the V4, still do not make clear distinctions between democracy assistance and development assistance.

As is evident from our definition of democracy assistance (see *Introduction*), the term is very broad and can encompass a variety of projects, ranging from those related to the strengthening of good governance of various government institutions to those related to improving the rights of minorities within a country.

To a certain extent, it can be argued that in the BiH context even economic development projects can be regarded as democracy assistance efforts, given that such projects often seek to change legislation or mobilise people from different ethnic groups to work together. This means that the vast majority of international aid that has flowed into BiH

- apart from physical reconstruction of post-war infrastructure - can in theory be defined as “democracy assistance”. Therefore, the general trends presented by the limited aggregate data related to development assistance can be considered applicable to democracy assistance funding in BiH.

Limitations of statistical data

For various reasons, there is no concrete data on the total amount of international aid in general, or international democracy assistance in particular, that has flowed into the country since the end of the war. This fact was confirmed during the course of research and interviews with various representatives of national and international organisations active in democracy assistance, who made it clear that precise figures are simply not readily available. While there are pieces of information about certain types of assistance by various donors, it is difficult for anyone to aggregate this data, and to date no such attempt has been made. Since the end of the war, numerous donors have been involved in reconstruction and development efforts in BiH, at times without much co-ordination or awareness of one another’s activities, and have left behind insufficient data to speak with certainty about the amounts and type of development aid contributed by independent foreign actors or by the international community as a whole.

The democracy assessment published in 2006 by the Open Society Fund BiH (OSF) sheds light on additional reasons why these statistics are not available. As noted in the assessment, “the relations of the government of BiH with international donors are not based on a partnership, and the transparency of the relationships is very poor”. The lack of transparency is one major reason for the lack of data on the total funding to BiH. “For example, the UNDP-Newsletter Special Edition for 2005 stated that the total of UK donations in BiH for 2001-2005 were US\$ 1,726,500. Fortunately, the amounts were substantially larger. The grounds for such assessment were based on the information that only two UK projects (UK Department for International Development - DFID), in the social sector, were financed by GBP 6 million, which is US\$ 8,200,000.90.”¹⁰

This lack of transparency and lack of substantial partnership between international donors and the BiH government have recently prompted new attempts to tackle the problem. One example is a recent system created by the state Ministry of Finance and Treasury, through which they are trying to make sure that the BiH government is aware of the international economic aid (additional to EU aid) coming into the country. As was noted by an adviser within the Ministry, this push mainly came about because projects sponsored by international donors were carried out without the government’s knowledge. The creation of the Sector for International Aid Co-ordination in the ministry will work on co-ordination with and among donors, in particular regarding future trends and securing funds for development projects and technical assistance financing. This is just one example of the type of activities that are finally being undertaken by the BiH government to address the lack of information regarding the inflow of foreign aid.

Another reason for the lack of figures is the reluctance of most NGOs in BiH to publish annual financial reports. Moreover, there is a lack of transparency in the way that governments give funds to NGOs, which is often attributed to politicisation of this process whereby a government sponsors those NGOs it finds ideologically acceptable, which can be detrimental to the strengthening of democracy. Overall, there seems to be little incentive for some of the NGOs to openly disclose their annual financial reports. Additionally, the development of a statistical framework in BiH for the various levels of government is still lacking, and has been identified by the EU as one area where progress must be made before BiH can be considered for EU membership candidacy.

General trends in international development assistance funding

Even though it is difficult to precisely determine the monetary amount of international democracy assistance funding to BiH, it is still beneficial to see at least certain data related to international development assistance inflows in order to examine general trends in donor funding.

The following table shows the total official development assistance provided to BiH by the Organisation for Economic Co-operation and Development (OECD) countries from 1997- 2006.

| TOTAL Official Development Assistance (ODA) (net disbursements in US\$ million) by all OECD Donors in BiH | |
|--|----------|
| 1997 | 861.45 |
| 1998 | 905.2 |
| 1999 | 1,040.33 |
| 2000 | 736.85 |
| 2001 | 638.92 |
| 2002 | 563.44 |
| 2003 | 540.29 |
| 2004 | 683.63 |
| 2005 | 553.43 |
| 2006 | 494.39 |

Source: OECD website

These figures represent the official development assistance (ODA) from OECD donors, including the European Community. The official numbers include all types of development assistance, with no breakdown of the amount of funds earmarked for democracy assistance activities. Nevertheless, these figures are useful for illustrating the fact that the amount of OECD funds earmarked for development in BiH has been decreasing overall since 1999. There is a sense among the individuals interviewed during the course of research for this study that international funding earmarked for BiH has been declining over time. This reflects the fact that BiH is no longer the priority country it once was in international affairs.

However, large amounts of aid did pour into a relatively small country. Given the continuous political and economic dependence of the country on international actors, even 13 years after the end of the war, it can easily be argued that the substantial amount of international funds that have come into BiH over the years “proved to have small cost-effective value.”¹¹

As indicated in the OSF democracy assessment report, closer partnerships between international donors and local actors in creating and implementing development strategies are of utmost importance if the funds invested into these activities are to create substantial dividends in the form of impact on the strengthening of democracy in BiH. Ultimately, in order to be effective, foreign assistance policies “must be based on an integrated approach, they must be co-ordinated, transparent, and be relevant for the beneficiaries.”¹²

Priority areas in democracy assistance

Even though the definition of democracy assistance is broad, certain areas have garnered more attention than others from international donors. The area that has historically received a substantial amount of democracy assistance funds has been the civil society sector. As already noted, the terms “civil society” and “NGOs” are used interchangeably in the BiH context, and NGOs have established themselves as actors promoting and strengthening democracy in the country.

Supporting civil society/NGOs

The development of civil society and the donor community’s role in its development was evaluated in a 2004 study by the Mission of USAID in BiH entitled *Civil Society Assessment in Bosnia and Herzegovina*.

The study highlighted that the international community has a dominant role in the development and shaping of civil society, noting that there are limited domestic funds available for the development of civil society/NGOs, and that the decrease in foreign funding will lead to the consolidation of the sector. Ultimately, the study recommends fostering local ownership of the development of the BiH civil society sector through supporting the

diversification of the domestic funding base for NGOs as well as through promoting legislation that supports public-private partnerships in this sector.

A recent success in the NGOs’ efforts to strengthen democracy and their influence within the BiH political scene was achieved with the signing of the Agreement on Co-operation between the Council of Ministers of BiH and the Non-Governmental Sector in BiH. The agreement is essentially an institutional strategy for co-operation between the governmental and the non-governmental sector, based on European standards. It calls for the creation of a Civil Society Board and an Advisory Body for Civil Society to the BiH Council of Ministers (CoM).

The Civil Society Board was recently created - with 31 members representing different sectors of civil society. The Board has a consultative role, but discussions are ongoing about making it a representative body for NGOs in BiH. Currently, its functions are the oversight of the implementation of the agreement, the strengthening of co-operation between civil society and CoM, the overview of laws related to the non-governmental sector, and the overview of the budget earmarked for NGOs in BiH.

The institutional framework of the Advisory Body, consisting of government and NGO representatives, was scheduled to be established by mid-2008. The agreement and the proposed system of co-operation are closely based on the Croatian model. Moreover, the plan is to introduce this framework to other levels of government, giving civil society more leverage and power in policy decision-making through the various government institutions.

Notably, USAID/BiH, along with other donors, played a major role in this positive development since they supported the project spearheaded by the NGO coalition “To Work and Succeed Together”. The project, “Sustainable Development of the Non-profit Sector in BiH through Partnership with Government and Business Sectors”, was crucial to the improvement of relations between the civil society sector and the government, and was sponsored by USAID/BiH and a number of other donors, such as the OSCE and OSF (BiH). Interestingly, at the request of USAID/BiH, the Hungarian NGO, European Center for Not-for-Profit Law, played a significant part in this project.

The project helped bring about the previously mentioned agreement between the BiH CoM and the non-governmental sector in BiH and it also resulted in the creation of the following documents: Code of Conduct for Non-Governmental Sector in BiH; Co-operation Quality Standards between the Government and the Non-Governmental Sector in BiH; and Strategic Directions of Development for Non-Governmental Sector in BiH.

The agreement between the CoM and the non-governmental sector is a significant achievement, given that prior to the agreement the relationship between the government institutions and the non-governmental sectors was not good. This was not a simple and

organic process, given its duration, and the final impetus for execution came from the side of the CoM. The initiative began in 2002 with the creation of the coalition “To Work and Succeed Together”, comprising 350 NGOs. The agreement was accepted by the non-governmental sector on 7 December 2004, and by the CoM two-and-a-half years later on 26 April 2007. However, the CoM only signed the Agreement because formalised co-operation between the governmental and the non-governmental sector was a requirement for further European integration.

This agreement is not only an important success for the NGO community in BiH, but is also relevant for democracy assistance - because it opens up the possibility to make the government a counterpart in the strengthening of democracy through its partnership with the non-governmental sector. The agreement also addresses the issue of governmental financing of NGOs’ project work.

Given the decrease in international funding for NGOs, there will be higher competition for funding, which could be good for weeding out ineffective NGOs, but also runs the risk, as was pointed out in the 2004 USAID Civil Society Assessment, that smaller NGOs that could positively contribute to society may have to close down. This problem could be eased if funds become available from the state budget. Moreover, international donors would also be able to contribute funds to such a government budget on the basis that the funds would be distributed transparently and impartially to local NGOs.

The EC Delegation has also invested in strengthening civil society and is planning two upcoming projects in this area. One project will focus on strengthening the co-operation between NGOs working in the same sectors and in general, while the other will focus on improving co-operation between the state government and NGOs. Both of these projects are based on two thorough analyses of the NGO sector in BiH, namely the USAID/ BiH *Civil Society Assessment* and the EC Delegation *Mapping Study of Non-State Actors (NSA) in Bosnia-Herzegovina*.

While recognising that the BiH constitution and the strict EU visa regime for BiH citizens pose an impediment to the development of democracy, the EC Delegation representatives noted that these issues can be changed only with the broad support of the international community. For example, in discussing its approach towards strengthening democracy in BiH, the Delegation focused on its assistance to civil society and noted that from 1996-2006, the EU has provided in total € 13,738,750 in assistance to civil society through its various programmes, such as the PHARE and CARDS programmes, as well as the European Initiative for Democracy and Human Rights (EIDHR).

For representatives of government institutions, international organisations and local NGOs, democracy assistance is tantamount to the strengthening of civil society, while improving the functioning of civil society/NGOs is understood as the primary way to help democratise BiH. Overall, assistance to civil society was consistently highlighted as

an effective way to strengthen democracy in BiH and as an area where the V4 countries could play an important role through democracy assistance funding.

Supporting local government

A number of major international donors also focus on improving the effectiveness of municipal governments as part of their democracy assistance work. The recent adoption and subsequent amendment of local government legislation in both FBiH and RS have been intensively supported by key international actors, such as the Office of the High Representative. The OHR has pursued such reforms since the early years of the decade, despite strong domestic political opposition from certain political parties. The reforms are aimed at strengthening the level of government that is closest to the citizens and that should theoretically have the most immediate impact on their lives.

The OSCE’s strategy for the democratisation of BiH focuses on the municipal level, in particular working in recent years towards the adoption of the new laws on local government and the improvement in resource allocations for municipalities. The OSCE’s extensive field presence allows them to implement projects aimed at strengthening municipalities across the country. Recently, the democratisation strategy of the OSCE has been modified so that from 2008 onwards it intends to move away from direct assistance and instead will aim to encourage municipalities to learn from each other. The OSCE will work on making municipalities feel the need to be accountable to citizens and not to the OSCE, which is what usually happened in the past when municipalities participated in OSCE democratisation projects.

Another donor involved in local government strengthening is USAID, which started working with municipalities from 2001 onwards. Since 2001, USAID has spent over US\$ 40m to help strengthen and improve the functioning of selected BiH municipalities. Recently, USAID recruited other donors in their local government strengthening activities by co-sponsoring the high-profile Governance Accountability Project (GAP) from 2004 onwards. The purpose of GAP is to dramatically and visibly improve the ability of municipalities to serve their citizens better and to support a policy and fiscal framework conducive to accountable democratic governance.

The project has provided, and will continue to provide, demand-driven technical and material assistance to approximately 70 BiH municipalities. The GAP initiative was initially a three-year activity worth US\$ 20m. However, in 2008 it was extended an additional five years with a budget of US\$ 30m. Currently, two other donors are involved in the activity: the Swedish International Development Co-operation Agency (SIDA) and the Embassy of the Kingdom of Netherlands. The high levels of funding for municipalities indicate that - despite the reduction in international development assistance funds - the strengthening of local government in BiH remains a priority for certain high-profile donors and has produced tangible results.

The scope of democracy assistance in BiH is much broader than the examples listed above. Nevertheless, these are the areas - above all, the strengthening of civil society and municipalities - that seem to have garnered the most attention and funding from international donors wishing to improve democracy in BiH. In addition, the encouragement of regional co-operation and support for projects related to EU integration receive support from international donors, and this is particularly relevant for the V4 countries.

Visegrad Four Democracy Assistance in Bosnia and Herzegovina

Democracy assistance has gained a prominent role in the framework of development assistance provided by the V4 countries. Notably, the amount of funds earmarked by them for democracy assistance has been increasing over the years. Moreover, BiH is explicitly regarded as a priority country in terms of foreign policy focus and democracy assistance for three V4 countries: the Czech Republic, Hungary, and Slovakia. Nevertheless, the practical and financial realities of their policies do not always reflect the fact that BiH is supposed to be a priority country. The following section evaluates the democracy assistance policies in BiH for each V4 country based on the research undertaken in the V4 countries within the framework of the PASOS research study, on information provided by the respective V4 embassies in BiH, and feedback from local recipients of V4 assistance.

Poland

In 2003, Poland's government approved the *Strategy of Polish Co-operation for Development for 2004-2006*, which indicated that Polish aid would focus on poverty reduction, humanitarian aid and technical assistance. Recently, the Department of Development Assistance of Poland's Ministry for Foreign Affairs drafted *Solidarity, Development and Freedom: Strategy of Polish Foreign Assistance for 2007-2015 (Strategy 2007-2015)*, which is now under discussion at the inter-ministerial level. Democracy assistance is a relatively new policy area within the field of Polish development assistance, but its role will grow - given that the new draft *Strategy 2007-2015* devotes a separate chapter to it and gives it a status of equal importance alongside classic development and humanitarian assistance.

The focus of the Polish government's development assistance has primarily been post-communist and communist countries (with the notable exception of Iraq). In 2005, for example, the top aid recipients were Serbia, Uzbekistan, and China. The 2003 *Strategy for 2004-2006* seemed to qualify BiH as a potential recipient country given that the priority countries were noted to be those "countries undergoing political transformation, including in particular eastern and south-eastern European countries", as well as

"developing countries in transition". However, in practice, BiH was never a priority country for Poland's development assistance, and will probably not be in the near future given the recent revision of the Strategy.

The three groups of countries identified in the new *Strategy 2007-2015* indicate that Poland will choose priority countries based exclusively on its self-interest instead of a general set of criteria such as "developing countries" or "undemocratic countries", which is the case with the other V4 countries and was so in the earlier Polish *Strategy*. The geographic location of Poland relative to BiH and other countries in the region is one of the reasons why the Balkan countries are a lower priority for Polish development assistance. Thus, the focus will primarily continue to be on Poland's immediate eastern neighbours (especially Belarus and Ukraine), Central Asia, and the south Caucasus.

Still, due to certain historical links between Poland and BiH,¹³ some funds do flow into BiH. Poland supports progress in the political development of BiH and encourages BiH authorities to lead the political reform process. The focus of Poland's relations with BiH is to ensure that BiH is a stable part of the wider region. Notably, within EUFOR the Polish military contingent of 200 troops is the fifth largest in the EUFOR mission. In addition, the Polish government encourages Polish foreign investment in BiH in order to help BiH's ailing economy. Overall, such involvement helps ensure stability in BiH and in the region.

Similarly, the Polish Embassy has taken part in supporting political development in BiH since its opening in Sarajevo in 2004, but the embassy has not engaged in undertaking democracy assistance work - in part due to its limited human resources.¹⁴ Instead, the embassy recently contributed € 10,000 to the International Commission for Missing Persons (ICMP) in BiH (the Embassy has daily contact with the ICMP) and € 25,000 to the Special Department for Investigation of War Crimes in Srebrenica within the BiH Prosecution Office. The primary aim of such funds is to help BiH deal with the consequences of the civil war.

Even though the Polish government does not consider BiH a priority recipient country for development assistance, it has contributed monetary assistance to BiH over the years. For example, Poland's Ministry of Foreign Affairs sponsored projects in BiH in both 2006 and 2007 (the monetary amount was not indicated for the 2006 project, but it was € 26,000 for the 2007 project). In 2007, the Polish government supported a workshop organised in Cracow for local youth NGOs from BiH, and another recent project proposed by Poland included a conference, internships in Poland's government institutions, and specific courses for public administration officials from the Western Balkans countries, including BiH.¹⁵

Additionally, even though the focus of the Polish Embassy in BiH is not democracy assistance, the embassy is involved in activities that promote democratic values and specifically EU integration, such as a project launched in 2007 and organised by the European

Commission's Delegation to BiH. The project's aim is to present to BiH citizens the idea of a unified Europe by engaging ambassadors of EU member states represented in BiH to go to a municipality and speak on this theme.

Overall, for the above reasons, Poland has not contributed development assistance or democracy assistance to BiH in a systemic way, but it is engaged to some degree in aiding BiH with dealing with the consequences of war, and with the transfer of knowledge related to the transition to democracy and to EU integration.

Czech Republic

Since 2002, the Czech Republic has steadily increased the size of its total ODA, within which democracy assistance now features as one of the Czech Republic's most important foreign policy priorities. Notably, in 2005, the Ministry of Foreign Affairs created the Transition Promotion programme concept specifically focused on official democracy assistance policy. The main goals of the strategy include democratisation and society transformation of the target countries in order to "enhance security, stability and prosperity".

The target countries of the Czech Republic's democracy assistance are:

- developing countries and countries in transition, ranging from post-Soviet countries (Belarus, Moldova, Ukraine and Georgia) to the Balkans (Serbia, BiH) and Iraq; and
- countries with undemocratic regimes that undermine human rights (Cuba, Belarus, and Burma).

Overall, the target countries for the Czech government's democracy assistance programmes correspond to the Czech Republic's foreign policy priorities.

The majority of the Czech Republic's democracy assistance funding has gone to Belarus, Ukraine, and Iraq. For example, in 2006, most of the attention was focused on Belarus, in large part because of the presidential elections taking place that year. However, in subsequent years, the Czech Republic's Ministry of Foreign Affairs sought to focus more on supporting project work in the countries of the Western Balkans, including BiH.

While the Czech Ministry of Foreign Affairs created a Strategy for BiH Development for 2006-2010, democracy assistance is not included as a priority area. The focus of the development is instead on three specific fields: agriculture, infrastructure related to travel, and the economy. The Ministry of Foreign Affairs sponsors large-scale projects related to these three fields, and the government has set aside approximately € 2m yearly for carrying out the Strategy goals for BiH for the period 2006-2010.

Additionally, the Czech Republic has a fund that supports countries in transition - for which BiH qualifies. As part of that fund, the Czech government has set aside ca € 1m annually.

The projects are proposed by NGOs in the Czech Republic for the countries in question, and are selected based on their quality. In order to qualify for funds, applications must meet a general requirement that any projects implemented in countries receiving development assistance must have the active involvement of partner organisations from the target country.

Of all the V4 embassies, the Czech Embassy is the most involved in democracy assistance activities in BiH. Despite the relatively small staff of four diplomats (including the Ambassador), the embassy pursues a variety of activities that serve to strengthen democracy in BiH. Notably, the Czech Republic's strategy for development assistance has shifted from prioritising the Czech Republic's interests to now focusing on the needs of the countries where assistance is given by the Czech Republic.

The Czech Embassy is primarily involved in democracy assistance activities in BiH through its small-grants programme and through its student scholarship programme. The small-grants programme has been running for three years, with an annual budget of € 35,000. The number of projects sponsored per year ranges from four to ten, with the grant per project ranging from € 2,000-5,000. The projects are chosen, based on the quality of the proposals, by a five-person committee, and are sent to the Czech Ministry of Foreign Affairs for approval. As noted by the embassy's representatives, during the three-year duration of the programme, the priority has been, and will continue to be, on youth and children in BiH. Overall, the importance of this programme is greater than indicated by the amount of funds dedicated to it, since the sponsorship of local NGOs by an embassy gives these NGOs credibility and often results in their further growth and strengthening.

The embassy also sponsors BiH students' university and post-graduate studies in the Czech Republic. The programme is run by the Head of the Development Department in the embassy, who is responsible for choosing BiH students for scholarships, and helping them with all aspects of their studies in the Czech Republic. This programme has evolved from sponsoring one student three years ago to now sponsoring about 50 per year. The students' tuition and living expenses are completely covered for the full duration of their studies. This scholarship programme is extremely beneficial as it gives BiH youth, some of whom have never been outside the country, the opportunity to explore life abroad. Such experiences are highly valuable, giving young people experience of living in a country that has been through the transition process, and mobilising them in their insistence on better conditions in BiH, along with quicker progress on the path towards EU integration.

Based on the activities of the Czech government and its embassy in Sarajevo, it is clear that BiH is considered a priority country for the Czech Republic's development aid, including democracy assistance. While the funds dedicated to democracy assistance in particular may not be that large, they nonetheless show that the Czech Republic is interested in strengthening democracy in BiH, primarily by focusing on youth and education activities. Additionally, the creation of the 2006-2010 Development Strategy for BiH and

of the Development Department in the Czech Embassy indicate that the country is committed to providing development and democracy assistance in a systemic and strategic manner.

Hungary

Hungary's international development co-operation strategy includes BiH as a target country and defines it as a "strategic partner". With regard to Hungary's democracy assistance strategy, the target country selection process focuses on countries that are:

- in the geographical and political areas of interest for the Hungarian government;
- in the process of democratic transition;
- where Hungary has a comprehensive knowledge of the social and political landscape; and
- where Hungary's involvement is positively regarded.

BiH is one of the main priority countries for Hungary's international development assistance, along with Serbia and Vietnam. Currently, the Hungarian Ministry of Foreign Affairs is for the first time working on a four-year country strategy for BiH. Such a strategy will be crucial to placing Hungarian development/democracy assistance for BiH on a more comprehensive and long-term footing.

Even though Hungary's assistance budget is not as large as that of other donors in BiH, the Hungarian government is nevertheless involved in assisting BiH through various ways. Hungary invests funds in infrastructure projects, such as the building of water treatment plants in two municipalities¹⁶ and the reconstruction of the old city hall in Sarajevo.¹⁷ Hungary is also actively involved in the field of justice and home affairs in BiH through the Budapest Forum. Furthermore, the Hungarian Embassy is directly involved in development assistance in BiH through the small-scale funding of local NGO projects.

The embassy undertook the small-scale funding of local NGO projects in 2007 with a budget of € 16,000, from which they sponsored five projects. This relatively recent undertaking by the embassy has been, and continues to be, a learning process. Interestingly, the Hungarian Embassy received advice from the Czech Embassy, which has been running a small-grants programme for the past three years.

Most of the five projects sponsored by the Hungarian Embassy in 2007 can be regarded as democracy assistance.¹⁸ The projects were submitted to the Hungarian Embassy by local NGOs, but the selection process is slow. Once the five projects were selected by the embassy, they were sent for approval to a co-ordinating body within the Hungarian Ministry of Foreign Affairs. Upon approval of the requested funds by the Ministry, the embassy then works on monitoring and evaluating the projects and submitting reports to the Ministry. Currently, the embassy is working on finding a simplified mechanism for

CALLED TO ACCOUNT: HUNGARIAN LESSONS IN NGOS' SELF-REGULATION

The Hungarian organisation, the European Center for Not-for-Profit Law (ECNL), took part in a project meant to promote sustainable development of the non-profit sector in BiH. The project, "Sustainable Development of the Non-Profit Sector in BiH through Partnership with Government and Business Sectors", was crucial to the improvement of relations between the civil society sector and the government, and was sponsored by USAID/BiH and a number of other donors, such as the OSCE and the Open Society Fund of BiH. The project lasted from May 2004 to April 2007, during which time BiH NGOs and representatives from other sectors worked to strengthen the self-regulation of the non-profit sector in BiH and the relationship between the non-profit sector and the government.

The Civil Society Promotion Center (CSPC) in Sarajevo took the lead in implementing the project and worked with other local NGOs through the coalition "To Work and Succeed Together", and their staff worked with ECNL on this important project. Notably, the ECNL representative participated in roundtables that discussed the main aspects of the project with local NGOs across BiH, as well as with business and government-sector participants. ECNL was instrumental in working on the four crucial documents that were produced

during the course of the project: Agreement on Co-operation between the Council of Ministers of BiH and the Non-Governmental Sector in BiH, Code of Conduct for Non-Governmental Sector in BiH, Co-operation Quality Standards between the Government and the Non-Governmental Sector in BiH, and the Strategic Directions of Development for the Non-Governmental Sector in BiH.

The ECNL has a very good working relationship with CSPC, and they have co-written a number of brochures and laws on issues related to ECNL's area of expertise. Interestingly, ECNL has also trained one of the CSPC staffers in non-profit law, but that individual left the organisation to work in the United States. Such a development is not a great surprise given that many young, educated individuals who receive opportunities to work abroad usually take them, contributing to a general brain-drain of BiH's best and brightest minds.

Still, the continued co-operation between CSPC and ECNL demonstrates how democracy assistance can produce substantial results when it is demand-driven and when the transfer of knowledge takes place in a collegial and co-operative environment. For example, ECNL has introduced Hungary as an example of how municipalities should work with NGOs, and CSPC has been able to learn from the Hungarian experience in this area and apply those lessons to BiH's situation.

the evaluation of the projects. The embassy plans to continue sponsoring such projects in 2008, with approximately the same budget as in 2007.

In addition to the involvement of the Hungarian Embassy, other actors - including certain Hungarian NGOs and the Hungarian Ministry of Foreign Affairs - are also active in BiH as is evident from their project work. The specific projects in question were the "Visegrad to Visegrad" programme, implemented by the International Centre for Democratic

MODELS OF REGIONAL CO-OPERATION: A WESTERN BALKANS VISEGRAD FUND?

The “Visegrad to Visegrad” programme was formulated and carried out by the International Centre for Democratic Transition in Budapest (ICDT), and was funded by the Hungarian Ministry of Foreign Affairs. The objectives of the project were to “explore the possibilities of the adaptation and transfer of the political, institutional and, as and where applicable, sectoral experiences of Visegrad Four co-operation in the Western Balkans”. The project involved government and civil society representatives from the Western Balkans countries (Albania, BiH, Macedonia, Montenegro, and Serbia).

The project lasted from June 2006 to March 2007, during the course of which three expert meetings were organised in the form of workshops and conferences aiming to determine the regional needs and to facilitate interregional experience transfer.

The Sarajevo meeting in June 2006 served as a forum for representatives from the Visegrad Four and the Western Balkans countries to discuss ways in which Visegrad Four EU integration experience, as well as Visegrad Four regional co-operation, could be transferred to the Western Balkans. During the meeting, the idea of creating a “Western Balkans Visegrad Fund” was introduced.

During the Skopje meeting in March 2007, case studies and best practices from Visegrad Four experience in advancing local development in rural areas in the Stabilisation and Association Process countries were presented. The idea of creating a LEADER-based capacity-building programme was introduced during this meeting. Subsequently, ICDT is preparing a feasibility study regarding the

operation of the “Western Balkans Visegrad Fund”, and is also preparing a proposal on launching a local development capacity-building project based on the EU’s LEADER programme.

Representatives from the BiH Ministry of Foreign Affairs and the Directorate of European Integration who participated in the Sarajevo conference were reluctant to endorse the idea of the “Western Balkans Visegrad Fund”. They noted that regional co-operation in the Balkans has been ongoing for some time now. For example, there is the GTZ¹⁹ Regional Partnership Initiative - the so-called Budapest Forum - which is spearheaded by the Visegrad Four plus Austria and Slovenia, and which is meant to help transfer their experience to the Stabilisation and Association Process countries within six specific fields of co-ordination. Hungary was very active in launching the initiative and is heading the internal and justice affairs chapter.

Additionally, the recently established Regional Co-operation Council (RCC) is expected soon to become the main focus for regional co-operation, with its headquarters in Sarajevo. Notably, the RCC is strong politically, and has the full support of the Stabilisation and Association Process countries.

The competencies of the RCC amount to six specific areas, some of which are relevant for strengthening democracy in the participating countries. Moreover, support for the “Western Balkans Visegrad Fund” would be essential on the part of major political leaders in all of the countries concerned. Given the fora for regional co-operation that already exist, it might be difficult to gather the necessary momentum for the support for the “Western Balkans Visegrad Fund”, unless the purpose of the Fund was substantially differentiated from the other fora for regional co-operation.

Transition and funded by the Hungarian Ministry of Foreign Affairs, and the “Sustainable Development of the Non-Profit Sector in BiH through Partnership with Government and Business Sectors”, supported in part by the European Center for Not-for-Profit Law.

Overall, the Hungarian government and NGOs have demonstrated that BiH is a priority country for their democracy assistance. The development strategy for BiH, currently being drafted by the Hungarian government, is an important step towards assuring the provision of quality democracy assistance. Based on the project work of the Hungarian NGOs researched for this study, it seems that the projects that respond to specific demands from the BiH counterparts end up being a lot more successful in bringing about change than those projects that do not adequately reflect the needs of the BiH counterparts.

Slovak Republic

The Slovak Republic assigns high importance to development assistance in general, and to democracy assistance in particular. Slovak ODA was outlined in the *Mid-Term Strategy of Official Development Assistance for 2003-2008*. The most important goal outlined in this strategic document is the “transfer of Slovakia’s experience and know-how” in all sectors of society: political, economic, and social. The development assistance strategy targets 13 countries in particular, of which BiH is one. Between 2002-2004, Slovakia’s development assistance projects were administered by the Bratislava-Belgrade Fund and by the Slovak-UNDP Trust Fund. In 2007, the Slovak Agency for International Development Co-operation (SAMRS) was established by the Slovak government to undertake project management of ODA and the administrative duties of previous funds. The grant round at the end of 2007 did not select any projects in BiH.

The top priority of the Slovak development assistance strategy is “developing democratic institutions and a market environment”, followed by infrastructure, environment, and food security. The Slovak development assistance funds cover bilateral assistance, humanitarian aid assistance, Slovakia’s contributions to international organisations and programmes, grants for foreign students at Slovak universities, and remittance of debt to developing countries.

While there is no independent strategic document for democracy assistance, such as in the case of the Czech Republic, democracy assistance is listed as the number one priority of Slovak ODA. Overall, there has been a focus on structural reforms and civil society in the democracy assistance projects between 2004 and 2006. Additionally, a substantial number of projects are focused on workshops, conferences, seminars, training events and study visits, such as projects carried out by think-tanks and NGOs.

In general, Western Balkans countries are considered to be one of the priority targets for Slovakia’s foreign policy, as well as for its development assistance policy. Despite limited funds, the perception is that funds should be invested in Western Balkan countries

to address the problem of the region's stability through investment in the economic, social and military sectors in these countries. To that end, the *Orientation of Foreign Policy for 2007* stressed that the Slovak Republic intends to support the "Euro-Atlantic ambitions of the western Balkans [countries]".

In the Western Balkans, Serbia has traditionally been the major beneficiary of Slovakia's democracy assistance given its "programme country" status. BiH is also considered a priority country, and Slovak development assistance focuses on helping with BiH's EU integration, building up civil society, and strengthening democratic governance institutions.

In 2005, the government launched a scheme of allocating micro-grants via Slovakia's embassies in two countries:

- Ukraine (SKK 1m for projects not exceeding SKK 200,000, administered by the Slovak Fund for Local Initiatives in Ukraine), and
- Bosnia and Herzegovina (SKK 1m for projects not exceeding SKK 200,000, administered by the Slovak Fund for Local Initiatives in Bosnia and Herzegovina).

The Slovak Embassy in Sarajevo was established in 2005, the same year as the inception of the Slovak Fund for Local Initiatives in BiH. At that time, Slovakia had no embassies in a number of the Western Balkans countries, such as Albania and Macedonia. The decision was made to first open an embassy in BiH because the Slovak government felt that BiH deserved immediate attention from Slovakia. The embassy has a diplomatic staff of three, including the Ambassador. Currently, the Slovak Fund for Local Initiatives in BiH (providing micro-grants) is the primary source of regular Slovak government funds for development assistance in BiH.²⁰

For example, over the past year, ten projects were sponsored by the Slovak Embassy. The process of selecting the projects commences with the release of a public tender announced in BiH media and, once all applications are received, the Ambassador decides which projects will be funded. The funds were awarded to smaller NGOs that were not Sarajevo-based, because the limited monetary value of the funding would not produce added value for bigger and more experienced Sarajevo-based NGOs.

The continued funding of the Slovak Fund for Local Initiatives in BiH depends on the perceived success of the projects by the Slovak government. It is not expected that the budget for the micro-projects will be increased.

The beneficiaries of these grants highly value the accessibility, responsiveness, and high level of involvement of the Slovak Embassy staff. They indicated that the Slovak Embassy's representative was very involved and helpful throughout the duration of the projects' implementation.

An example of V4 co-operation can be seen in the case of the "Europe Day 2007" event, the aim of which was to educate BiH citizens about the EU and to discuss themes related to European Integration. This event, and the work of the European Movement in Bosnia and Herzegovina (EMBiH) related to EU integration, provides a platform for V4 co-operation. With the exception of Poland, all the V4 countries have supported the work of EMBiH, and have given financial and moral support for various projects.²¹

Overall, Slovak democracy assistance represents an important part of Slovak ODA and, within that framework, the Western Balkans, especially Serbia, have received significant attention from Slovakia. While the monetary contribution to democracy and development assistance to BiH might not be significant, the Slovak government has shown a willingness to focus on BiH and support the country on the road to European integration. The current High Representative is Miroslav Lajčák, a highly regarded Slovak diplomat, which is significant for Slovakia and for the other V4 countries. The focus of the Slovak Fund for Local Initiatives in BiH (the one relatively systematic method of democracy-assistance funding sponsored by the Slovak government) is guided with relative independence by the Slovak Embassy.

V4 co-operation on democracy assistance

There is no official co-operation between the V4 countries on democracy assistance to BiH. Nonetheless, there are other forums through which the V4 countries co-operate on issues related to BiH development assistance in general. However, in order to make V4 democracy assistance more effective, future V4 co-operation should be strengthened with regard to BiH.

Regional Partnership Initiative

The Regional Partnership Initiative (the Budapest Forum) brings together V4 countries, as well as Austria and Slovenia, to co-operate on activities related to six specific fields in the countries involved in the Stabilisation and Association Process: Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, and Serbia. These six fields are addressed through working groups led by a respective Regional Partnership country.

The focus of the six fields is as follows:

- regulatory system of the internal market;
- environmental protection;
- justice and home affairs issues;
- utilising EU-assistance instruments;
- veterinary and phytosanitary matters; and
- strengthening community relations through assistance with EU integration and enhancing civil society.

As part of the Initiative, the V4 countries plus Austria and Slovenia periodically meet with the representatives from the Stabilisation and Association Process countries in order to discuss developments and methods for improvement in the six specific areas previously mentioned. Each of the regional partnership countries takes the lead for improving the conditions in one of the six fields during scheduled conferences in the participating countries.

One such conference took place in Sarajevo in September 2006, which was in part sponsored by the German Federal Ministry for Economic Co-operation and Development (BMZ) and supported by the German government-owned technical co-operation agency, GTZ. These conferences serve as a way to regulate improvements in the six fields and as an opportunity to further co-operate on additional initiatives related to the development of the Stabilisation and Association Process countries. They are also an opportunity for the South-Eastern European countries to co-operate with each other and to meet and exchange information relevant for their progress in strengthening democracy and convergence with EU standards.

Co-operation of V4 embassies in Sarajevo

Currently, there is no official forum for co-operation on democracy assistance among the V4 embassies in Bosnia and Herzegovina. In fact, the level of involvement of the V4 embassies in strengthening democracy in BiH is varied. The Czech Embassy is the most engaged, given the longevity of its focus on strengthening NGOs in BiH and the recent creation of the Development Department in the embassy.

The least involved is the Polish Embassy, which has shown little initiative in pursuing democracy assistance work in BiH due to geographic and political reasons. The other two V4 embassies are involved in democracy assistance in BiH through their small-grant projects, but not to the same strategic extent as the Czech Embassy.

The ambassadors of the V4 countries have good contacts with each other and meet weekly through organised meetings attended by all EU diplomats active in BiH. Additionally, the V4 ambassadors meet regularly with the High Representative. However, it seems that V4 co-operation on development assistance is usually not one of the themes discussed in these meetings.

For the most part, the embassies pursue their activities related to development assistance in BiH independently of one another. Nevertheless, there are examples of active co-operation, such as when the Czech Embassy recommended to the Hungarian Embassy projects for funding by the Hungarian Embassy's mini-grant project programme. Other than such occasional and *ad hoc* co-operation between the Hungarian and Czech Embassies, no substantial initiative has occurred towards standardising co-operation.

However, there is agreement between the embassies currently involved in allocating small grants to local NGOs that they should explore ways to work together and co-ordinate their activities. They could focus the grants of each embassy on one specific area, for instance, youth development or small NGO development, etc.

Furthermore, the embassies could co-sponsor the same projects. This way the work (such as monitoring of the project) could be divided between the embassies in a more efficient way, especially given the differing capacities of the V4 embassies in BiH. Such co-operation would greatly depend on the will of the respective V4 country governments and their embassies in BiH to engage in such an endeavour. Moreover, the decision process for choosing projects and for funding would have to be streamlined, given that these procedures vary from embassy to embassy.

The aid provided by the respective V4 countries is relatively modest compared with other donors in the country. Moreover, there is some skepticism about the interest among the BiH authorities and local NGOs in V4 funding, because the supply side (from the various international donors) already seems to outstrip demand in the development assistance market in the country.

The lack of demand for assistance from the V4 countries stems in part from the perception that BiH citizens, especially the older generation, have a prejudicial view towards the V4 countries based on historical factors related to regional power dynamics during the communist era. Therefore, it might be beneficial for the V4 countries to collectively invest in addressing and dispelling the prejudices of the BiH citizenry, which are often passed from generation to generation when such prejudices are not addressed properly.

Fostering a positive image of the V4 countries in BiH and improvement of general knowledge about the Visegrad countries among BiH citizens provides another platform for V4 embassies' co-operation. For example, the embassies could work on collectively organising trips for youth to the V4 countries. Based on the experience of the Slovak Embassy that has organised trips to Slovakia, they tend to be a very positive experience for everyone involved and are beneficial in dispelling negative prejudices that might have been imparted on the participants by their parents. Furthermore, the scholarship programme organised by the Czech Embassy could be replicated by the other embassies. Once again, allowing young people from BiH to travel and study in the V4 countries is invaluable in demonstrating the progress and opportunities that positive political developments and a strengthening of democracy can bring about.

Similarly, the V4 could co-operate in promoting EU integration through co-ordinated public events in support of EU integration. Such sessions should preferably be held in smaller, more rural municipalities where the ambassadors could promote EU integration and discuss the benefits created for their country by EU integration. Given the relatively low involvement of the average BiH citizen in promoting democracy and being an active

participant in civil society, activities in rural and smaller cities should be pursued by international donors in general and by the V4 embassies, in particular given the fact that most of the V4 ambassadors²² are fluent in the local language, so the average BiH citizen will be able to relate to them more readily.

Finally, the embassies could promote their positive image and their development efforts in BiH through media coverage of V4 activities, such as the micro-grant projects and the Polish involvement in aiding the investigation and prosecution of war crimes. The embassies could craft a communications strategy that would focus on promoting their joint co-operation and commitment. Such a communications strategy could prove useful in making the whole larger than the sum of the individual parts - given the limited funding they offer.

Ideally, the embassies will move forward and introduce a standardised way of co-operating on democracy assistance in BiH. However, short of that, there should at least be an informal forum for meeting and exchanging experiences between the embassy representatives in the field of democracy assistance. Additionally, it would be useful for the V4 to publicise their involvement in general development activities in BiH, especially at a time when the High Representative is a Slovak diplomat. Moreover, if the V4 become more active in showing their solidarity and principled co-operation within BiH, it could turn positive publicity for one V4 country into positive publicity for all four.

References

| Individuals Consulted | |
|--|---|
| Name and Position | Organisation |
| Senka Eminagić, Analyst | BiH Ministry of Finance and Treasury, Cabinet of the Deputy Finance Minister |
| Milan Nić, Consultant - EU Communications Strategy | Office of EU Special Representative for BiH |
| Kurt Bassuener, Senior Associate | Democratisation Policy Council |
| Jayson Taylor, Deputy Head of Legal Department | Office of the High Representative/ European Union Special Representative |
| Reuf Bajrović, Director | Method, Political Consulting Agency (also associated with ACIPS) |
| Vanja Ibrahimbegović, Executive Director | Association Alumni of the Centre for Interdisciplinary Postgraduate Studies (ACIPS) |

| Individuals interviewed | |
|--|---|
| Name and Position | Organization |
| Predrag Praštalo, President | European Movement in BiH |
| Jovan Divjak, Executive Director | Association "Education Builds BiH" |
| Ivan Barbalić, President | Association Alumni of the Centre for Interdisciplinary Postgraduate Studies (ACIPS) |
| Slaviša Prorok, Project Officer | Center for Promotion of Civil Society |
| Vesna Vukmanić, Director Milan Mirić, Network Coordinator | International Council of Voluntary Agencies, Bosnia and Herzegovina (ICVA) |
| Zoran Puljić, Executive Director | Mozaika Foundation |
| Dobrila Govedarica, Executive Director | Open Society Fund BiH |
| Stela Vasić, Adviser | BiH Council of Ministers, Cabinet of the Prime Minister |
| Edin Šehić, Head of Department | BiH Ministry of Foreign Affairs Department for EU and Council of Europe |
| Amra Hodžić, Adviser | BiH Directorate for European Integration |
| Trefor Williams, Director | OSCE Democratisation Department |
| Vladimir Pandurević, Task Manger Džemal Hodžić, Manager | Delegation of European Commission to BiH |
| Ambassador Miroslav Mojžita | Embassy of the Slovak Republic |
| Zoltán Horváth, Second Secretary | Embassy of the Republic of Hungary |
| Lukasz Chimiak, Deputy Chief of Mission | Embassy of the Republic of Poland |
| Irena Götzova, Consul | Embassy of the Czech Republic |
| Anesa Terza, Head of Development Department | Embassy of the Czech Republic |

Endnotes

1 The SB comprises the following 11 countries and institutions: Canada, France, Germany, Italy, Japan, Russia, United Kingdom, United States, the Presidency of the European Union, the European Commission, and the Organization of the Islamic Conference (OIC) (represented by Turkey).

2 At the December 1997 PIC meeting in Bonn, the High Representative's mandate was strengthened by granting the HR the final authority to make binding decisions on a variety of issues. See PIC Bonn Conclusions from Bonn PIC Main Meeting, dated 10 December 1997, and available at http://www.ohr.int/pic/default.asp?content_id=5182#11

3 Information available at <http://www.ohr.int/>

4 For a full text of the Feasibility Study presented by the Commission of the European Communities, see: <http://www.delbih.ec.europa.eu/en/whatsnew/report-692.pdf>

5 Anna Jarstaad, *International Assistance to Democratisation in Bosnia and Herzegovina, Kosovo and Macedonia*, January 2005, 27.

6 Glenn Cowan et al., *USAID Bosnia and Herzegovina Democracy and Governance Assessment*, May 2007, 5

7 For a complete list of individuals interviewed and consulted for this report, please see References.

8 The results of the polls were communicated to the researcher by the Director of the Democratisation Department at OSCE, but were not available for review.

9 Srdan Dizdarević et al., *Open Society Fund of BiH Democracy Assessment in Bosnia and Herzegovina*, February 2006.

10 *OSF Democracy Assessment*, 399.

11 *OSF Democracy Assessment*, 398.

12 *OSF Democracy Assessment*, 401.

13 These historical links are of a humanitarian nature and of a diplomatic nature, i.e. Tadeusz Mazowiecki (Poland's former prime minister) served as a Special Envoy of the UN General Secretariat from 1992-1995.

14 The Polish Embassy's diplomatic staff consists of the Ambassador and two consuls.

15 This proposal was carried out through the Regional Partnership Initiative of the following countries: Austria, Czech Republic, Hungary, Poland, Slovak Republic, and Slovenia. However, the Polish embassy representative noted that it was quite difficult to get BiH public administration officials to come to Poland for internships, which he assumed was due to a general lack of interest in visiting Poland on the part of BiH officials.

16 Hungary invests in infrastructure development in BiH through providing loans to municipalities with a lower interest rate and under the condition that Hungarian companies undertake the construction, i.e. it is "tied aid".

17 The Hungarian government invested € 100,000 into the reconstruction, and in that way it also positively markets Hungary in BiH.

18 The five projects were: helping build a rehabilitation centre for victims of domestic violence; publicity campaign for EU through European Movement in BiH; sponsor seminar about European Security and Defence Policy at the Center for Security Studies; publicity projects at the Centre for Cultural Dialogue; and de-mining campaign (including marking mined fields).

19 Deutsche Gesellschaft für Technische Zusammenarbeit, the German government's federally owned agency for technical co-operation, which supports the government in achieving its development policy objectives.

20 Interestingly, the Slovak government attempted to sign an Agreement on Co-operation regarding Slovak development assistance with the BiH government similar to its Memorandum of Understanding

with Serbia, but its efforts were not successful. The BiH and Slovak governments did not find a model that worked for both sides.

21 EMBiH has received financial support for projects from the Hungarian and Slovak Embassies. For example, the Hungarian Embassy also contributed a symbolic sum of € 500 for the "Europe Day 2007" event as soon as they became aware that the project was being sponsored in part by the Slovak Embassy. Recently, the Czech Ambassador encouraged the organisation to apply for project funding from the embassy.

22 The Slovak, Hungarian, and Czech Ambassadors speak the local language.

Forging Alliances Across the Transatlantic Divide

Democracy Assistance Policies of the Visegrad Four Countries: Cuba

Francesco Guarascio

Cuba is a dictatorship, led by Fidel Castro since 1959 and now under the rule of his brother Raúl Castro, who has been in the government since the first days of the so-called Cuban Revolution.

Public elections are regularly held - recording overwhelming support for the ruling Communist party. International observers are not allowed to monitor the vote. The authorities do not allow public demonstrations of disapproval towards the government, all media are strictly state-run, and propaganda is widely used in television, radio, newspapers and in public places, with pro-revolution banners and slogans all over the island.

The regime acts decisively to eliminate dissent but refrains from killing and making dissidents disappear, as practised in other totalitarian states. Members of opposition groups or human rights and pro-democracy activists are arbitrarily arrested or targeted with so-called '*actos de repudio*' (acts of repudiation), for which the government mobilises Communist militants and others to hold a public rally aimed at intimidating and ostracising them. Although repressive actions are currently decreasing, in the summer of 2008, Cuban jails were still host to more than 200 prisoners arrested on political grounds. In prison, conditions are harsh, and contacts with family members are highly restricted.

Freedom of speech, association and assembly is *de facto* not granted, and the authorities randomly intervene to tackle "subversive" activities.

The tough restrictions curtailing basic freedoms and the pervasive presence of security forces or members of the Communist party have prevented the development of credible opposition to the regime. Although general discontent is growing due to bad economic conditions, demonstrations of dissent are still limited, and dissident groups appear weak and divided. The reasons for this are historical and geographical, but also draw on the perceived achievements of the "Revolution". The Cuban population has never experienced a real democracy, so the prolonged grip on power by Fidel Castro has not been

perceived as an anomaly. Foreign influences have been severely limited due to the authorities' firm control over the flow of information in and to Cuba, a task made all the more easy by the fact that Cuba is an island.

On top of this, it has to be recognised that Fidel Castro has been successful in creating a real nation from a mixed population accustomed to foreign control. He has given Cubans the pride of being Cubans. In private, criticism of the authorities is widespread on the island, but rarely involves Fidel Castro *per se*.

The reasons for this have to be found in the charismatic personality of the *Lider Maximo*, globally recognised as one of the key protagonists of the second half of the 19th century, but also as the embodiment of the failings of US policy towards Cuba. Failed military attacks (such as the Bay of Pigs), terrorist acts against Cuban interests carried out by CIA agents, repeated attempts to kill Fidel Castro, the economic embargo against the island, and threatening public statements by US presidents have presented the Cuban propaganda machine with a wealth of opportunities to portray the US as an ideological enemy and the scapegoat for Cuba's internal problems.

Today, Washington has a different policy, despatching millions of dollars through clandestine disbursements to recipients on the island to promote human rights and democracy, and across the world to support campaigns against Castro.

The tough US stance against Cuba has repercussions also in Europe, where it is still difficult to approach the subject in an objective way. Critics of Cuba are often labelled as being too close to US interests, which in parts of Western Europe is not popular among large parts of the population.

This public perception is translated into the EU's inconsistent political stance towards the Cuban regime, alternating between sanctions and dialogue. The EU's toughest line against Castro's regime was taken in 2003 after the so-called *Primavera negra* (Black spring), when Cuban authorities arrested 75 dissidents, in many cases linked to the peaceful and pro-democracy *Proyecto Varela*. Spain, at that time headed by the centre-right government of José María Aznar, led the EU reaction.

In June 2003, the annual reappraisal of the EU's common position on Cuba resulted in the adoption of political sanctions against Cuba, including the limitation of high-level bilateral meetings and the invitation of Cuban dissidents to national days' celebrations at the European embassies in Cuba. After the change of government in Spain in 2004, and the nomination of a pro-Cuban EU Commissioner for Human Rights, Louis Michel of Belgium, combined with the new hopes generated by the end of the Fidel era, the EU position softened. In June 2008, EU foreign ministers decided to lift the diplomatic sanctions adopted in 2003.

In September 2008, Cuba had conditionally accepted an EU offer to resume formal political dialogue. The response came as Cuba was trying to recover from the damage caused by two hurricanes, Gustav and Ike. The hurricanes - the most destructive in the history of Cuba - passed through the country at the beginning of September.

KEY CONCLUSIONS

The Cuban regime does not kill its enemies, but makes their lives very difficult. Basic freedoms are not granted, and dissent is crushed through a variety of techniques of intimidation, including arbitrary arrests. Under these conditions, Cuban dissidents struggle to organise themselves.

Due to the difficult situation in the field, recipients of aid in Cuba, and the donors, agree unanimously that the single most compelling benefit of the support of foreign NGOs in supporting democracy in Cuba is their physical presence on the island (which is clearly more difficult for US organisations represented by American or Cuban-American nationals).

The direct help consists of bringing financial, material and moral support to selected Cubans. Very often, it also takes the form of delivering goods, such as banned books or medicines. In certain cases, the "missions" bring to Cuba experts from specific fields in order to conduct training sessions with their Cuban counterparts, and to keep them up to date with the latest scientific or political developments that are otherwise not available on the island.

Czech and Slovak NGOs, in particular People in Need (PIN) and People in Peril Association (PIPA) respectively, are the most active in direct support to Cubans. Polish and Hungarian NGOs tend to work almost exclusively in their own countries or at the EU level to promote awareness-raising campaigns on Cuban issues.

Apart from the Czech government, the other Visegrad Four (V4) states do not have specific funds for activities related to human rights and democracy in Cuba. V4 NGOs are largely funded by US organisations, and the EU is only marginally involved in funding activities on the island.

The V4 countries have to date not lobbied in Brussels in a co-ordinated way in relation to Cuban issues.

Aid is not delivered in the most efficient way, mainly due to a lack of collaboration among the actors involved. Big donors tend not to share projects among themselves, and the lack of collaboration is visible in the field, with frequent duplication of supplies from different organisations. Pervasive controls carried out by Cuban security forces inside the country and abroad also make co-ordination difficult.

The future is unclear. Raúl Castro is seen as a possible reformer, although concrete evidence of that is still lacking. This could have the effect of slowing down the flow of supportive actions by foreign activists without bringing real advantages to Cubans.

Outside the island, the approaching Czech Presidency of the EU, the launch of the European Partnership for Democracy and the revised European Instrument for Democracy and Human Rights (EIDHR II) represent new elements with the potential to diversify the international flow of financial and political support to Cuban dissidents.

POLICY RECOMMENDATIONS TO VISEGRAD FOUR GOVERNMENTS

- Provision of at least minimum funding for the activities in Cuba of their respective national NGOs would be a very important step, not only for the obvious financial reasons, but principally for partially freeing them from dependence on US funding, which has often constrained their advocacy activities.
- Improvement of relations with more moderate elements of the Cuban establishment in view of a potential transition is definitely a challenge. Building up a rapport with them while continuing to support the dissidents could be a prescription for effective democracy assistance in the island.
- Lobbying at the EU level is important. Any diplomatic achievement in Brussels is the result of co-ordinated efforts, and improved co-operation among the V4 diplomats/foreign ministries is urgently needed to reverse an EU political trend increasingly in favour of a position of “wait and see” vis-à-vis the economic reforms Raúl Castro has announced.

POLICY RECOMMENDATIONS FOR ALL DONORS

- The lack of co-ordination among the top US donors is detrimental to optimising the achievements of the financial support. More contacts would also translate into better exchange of good practices and an improved understanding of the real needs of the Cuban opposition and population.
- The duplication of the aid to the same organisations for similar projects should not be a primary consideration. A virtuous

competition of ideas and solutions to problems can be an asset, provided that it is preceded and followed by better co-ordination among the donors themselves.

- The monitoring of the actual use of the funding must be carried out in a more structured and effective way, provided that this increased transparency does not become a security risk to the recipients.
- When it is possible, the transfer of money to Cuba should be carried out in euros and not in US dollars - as it is well known that the Cuban authorities apply a 20% tax on currency exchanges from US dollars (but not on exchanges from euros). That means that 20% of the US money bound to Cuban dissidents goes to the regime.

POLICY RECOMMENDATIONS TO VISEGRAD FOUR NGOS

- It is necessary to secure better co-ordination among the V4 NGOs active in Cuba. This would have an immediate positive outcome in terms of the effectiveness and relevance of the aid delivered to Cubans. Duplications, and likewise prolonged absences, of support to various dissidents must be urgently tackled. At the same time, NGOs should continue to exercise their freedom to choose whom among the varied members of the opposition they want to support.
- The selection of goods to be delivered must be made in a more appropriate way, making sure that they meet the real needs of the dissidents. For this purpose, it is advisable to increase, when possible, communications with the intended recipients, in particular during the period immediately before delivery.

- On the whole, communications with dissidents must be improved. Cubans have to be more involved in the decision-making process when assistance projects are being designed.
- The cultural appetite of the Cuban people is increasing. Access to cultural material is more important than ever. Taking into account the difficulties of bringing these goods to the island, it is advisable to increase the diversity of the material delivered. Too often it is possible to see multiple copies of the same books on the shelves of the various independent libraries. The delivery of films banned by the authorities that can send important messages to more broad-based and not necessarily politicised groups of Cubans is more important than ever. Two examples of films with this potential are *Goodbye Lenin* and *The Lives of Others*, two films that chart the lives of individuals in East Germany both before and after the fall of the Berlin Wall. The recent “liberalisation” of DVD players represents an important opportunity in this sense.
- The success of projects aimed at training and organising groups of experts, such as teachers or journalists, should be coupled with other similar initiatives, in particular involving groups of society that are often neglected, for example youth organisations.
- The spread of critical thinking inside Cuban society must be stimulated through the use of new channels and milder, non-politicised messages. With this purpose and without forgetting the related dangers, it is crucial to encourage the dissidents to literally leave their houses and develop some public activities. Civil society groups must also be increasingly supported. Cuban intellectuals or musicians that already

send nuanced messages should be approached. In particular, the potential of music as a revolutionary tool should not be ignored.

- The fragmentation of the Cuban opposition is a major problem that must be tackled. At the same time, it is very important to train dissidents and experts from different sectors not only to conduct activities under current circumstances, but also to prepare for a transition scenario.
- Campaigning in Europe to raise awareness about the real situation in Cuba is of enormous importance, but requires sensitivity concerning negative perceptions of US foreign policy among some western Europeans. The risk of being branded as ideologically driven American mercenaries is very real, and makes it all the more necessary to take a very cautious, diplomatic approach to the subject.
- Those organisations that combine direct operations in Cuba with a high public profile in Europe on Cuban issues should take extra measures to avoid security risks facing their missions on the island. The best solution would be to improve relations between NGOs active in the direct support of Cubans (such as PIN or PIPA) and the ones more active in campaigning in Europe (such as the Lech Wałęsa Institute). This would allow a virtuous exchange of know-how without endangering activities in Cuba.
- Lobbying in Brussels must become a priority, in particular for the NGOs that specialise in campaigning. A representative office in Brussels and a well-developed network of contacts among EU institutions are a precondition for any further action.

International Democracy Assistance Programmes in Cuba

The United States is by far the biggest financial supporter of pro-democracy and human rights protection projects in Cuba. Several EU states have an interest in contributing to this policy, but their action is not translated into a consistent EU strategy. As said before, the common European policy has so far been very cautious and subject to changes according to the different political compositions of the EU Council. This inconsistent line has resulted in a lack of funding for projects in the field of human rights and democracy on the island. The only support from the EU at the moment comprises funding of cultural activities and initiatives in the social sector, amounting to around € 900,000 for three-to-five year periods.

EIDHR II, which was launched in 2007 with a worldwide budget of € 1.1bn for 2007-2013, foresees direct assistance to activists, but no project has so far been planned for Cuba. This means that V4 NGOs willing to operate on the island are forced to rely on financial support from the US.

Three US public organisations manage the bulk of the funds available for Cuba: the US Agency for International Development (USAID), the US State Department - through the Democracy, Rights and Labor unit (DRL) - and the National Endowment for Democracy (NED). All work through third-party organisations. USAID operates only with American NGOs, while DRL and NED rely also on non-American organisations. Extra funding comes from private donors, based mainly in Miami, but also from the Ford Foundation and smaller advocacy organisations. USAID is the most active organisation on Cuban issues. Its goal is the promotion of Cuba's transition to a democratic, market-oriented society. The support goes to Cuban human rights activists, NGOs, independent journalists, ordinary citizens - who have received thousands of short-wave radios enabling them to listen to foreign programming, and millions of books banned by the regime. Between 2004 and 2007, the USAID budget for Cuba amounted to around US\$ 55m.

DRL has a robust Cuba programme that focuses on democracy, human rights, and the rule of law. Exact figures for funding to Cuba are not available, but the total current budget for spending in 20 countries in South and Central America is in excess of US\$ 25m.

NED devotes significant resources to Cuba. In 2006, 13 projects were in place to monitor and implement human rights protection, to develop democratic values among the Cuban population, to spread information, and to help build relations between Cubans living abroad and Cubans on the island. The budget amounted to US\$ 1.5m in 2006, of which almost US\$ 110,000 went directly to PIN for training programmes for journalists and dissidents, and over US\$ 30,000 to PIPA to promote independent research and think-tanks in Cuba.

The other organisations that receive US funds for activities in Cuba (recipients) either use them to carry out their own projects or re-grant them to other organisations (turning in this second case into what we can call "recipient-donors").

Some organisations do both. Among the recipients, the main organisations that re-grant to V4 NGOs are NED (which relies on its own funds from the US Congress, but it also receives funding from the other two top US donors), Directorio Democrático Cubano, Center for a Free Cuba, Freedom House, the International Republican Institute (IRI), and the National Democratic Institute (NDI).

Thus, V4 NGOs receive funds directly from donors, but also from the recipient-donors. Apart from NED, whose funds reach several Eastern European NGOs, it is known that Directorio Democrático Cubano funds PIN and used to fund the Pontis Foundation in Slovakia. The Center for a Free Cuba funds missions to the island (including those of PIN and PIPA), and IRI supports the activities of both PIN and the Pontis Foundation. NDI funded the Lech Wałęsa Institute for a project in 2006 to raise awareness in Poland.

Sometimes, the activity in Cuba is limited solely to the delivery of humanitarian aid to Cuban people. In other cases, the financial relations between the donor and an Eastern European partner can concern exclusively one-off measures for activities not even recorded in the book-keeping (payment of tickets and accommodation for short trip within Europe, or basic support to organise a conference).

There are two main - and somewhat contradictory - shortcomings in the activities of the US donors: they seem to carry out their programmes in an overly independent manner, and at the same time they suffer from an excess of top-down regulation.

The first problem is characteristic of the top donors, who often ignore the work of the others, thus not taking advantage of possible synergies. Conversely, the recipient-donors often complain about the anti-duplication rules. Indeed, the three top donors tend to prevent their beneficiaries from working on the same type of projects that have been chosen for implementation through other recipients, or from working with the partners selected by other recipients. Even if it seems a rational approach, it can hinder a virtuous competition of ideas.

"It is easier to find a good solution if there are more minds to think about it," said a representative of a recipient-donor. In any case, the advantages of duplication can be exploited only if the identification of a solution follows "the sharing of the best ideas and practices, which is often neglected because of the understandable discretion exercised by those who deal with Cuban issues", added one donor.

Visegrad Four Democracy Assistance Programmes

Apart from a small budget set aside by the Czech government, there is no public money allocated by V4 countries to support NGOs active in the field of democracy assistance in Cuba. The Ministries of Foreign Affairs of the V4 countries acknowledge the importance of democracy assistance outside the EU but only the Czech government includes Cuba among its strategic foreign policy objectives.

However, this official position does not exclude a direct involvement in Cuban affairs. The Slovak Embassy, for example, is one of the few foreign institutions on the island that provides internet access to Cuban citizens, and in particular those linked to the opposition. This is an activity the Cuban authorities clearly dislike. In the past, the stance of the Slovak and the Czech embassies was even more explicit, and they used to invite dissidents to their offices. Now these open initiatives have stopped, but the support to the Cuban opposition and to civil society continues.

In the past, the Polish Embassy provided help to the families of Cuban political prisoners (mainly in the form of basic support to the families of dissidents, as well as regular contact and assistance to publicise their situation abroad). However, the change of ambassador in 2007 and a new milder mandate means that there may be a change in Polish policy, but it is too early to make an assessment.

Meanwhile, Hungary has always kept a much more diplomatic stance towards the Cuban regime. Across the EU political spectrum, current-day Spain (run by a centre-left government) represents one extreme as the advocate of a co-operative line with the Cuban authorities, while the Czech Republic occupies the seat furthest to the other end as the sharpest critic of Cuba. Hungary places itself at the furthest position from Prague in comparison with the other V4 countries, but at the same time maintains a certain distance from Madrid. The Hungarian Ambassador in Havana in 2007 described the situation as follows: "There is a philosophical approach between direct help to the opposition and co-operation with the authorities. That's our way." Conceding the violation of human rights carried out by the Cuban authorities, the diplomat wondered: "Is it better to help the dissidents or to convince the others not to beat them?"

The activities of V4 NGOs are much more clear-cut. They can be divided into two main categories: direct support to Cubans, and campaigns to raise awareness in Europe on Cuban issues.

The direct assistance consists of bringing financial, material and moral support to selected Cubans. Recipients on the island and donors generally agree that this represents the clear-est added value brought by foreign NGOs in their support for democracy in Cuba, and it

is clearly more difficult for US organisations represented by American or Cuban-American nationals to be physically present on the island.

Sending people to the island is useful for a number of reasons. First, it represents the safest way to deliver money to dissidents and their families. People who arrive on the island on behalf of V4 organisations also bring goods, such as drugs that are difficult or too expensive to buy in Cuba - simple medicines like vitamins, pain-killers, aspirins, which may seem unnecessary, but are in fact a necessity, given the extremely poor conditions in which people are detained in Cuban jails.

Deliveries also include cultural materials (books, films, newspapers) that are impossible to obtain in a country sealed off from the rest of the world. These deliveries help dissidents, but also ordinary Cubans who have access to independent libraries, to understand major political, social and economic trends in the world that are almost completely obscured by the state-run media, the only channel of information freely available on the island.

Other crucial goods include electronic items, such as cameras, PCs, and flash memory cards, which help dissidents to collect, store and spread information about the violations of basic human rights that take place systematically in Cuba and are generally unknown abroad, in particular in Europe.

Yet perhaps the most important aid delivered by Central Europeans to the Cuban opposition is the simple moral support to people who struggle every day for their elementary rights. The knowledge that people abroad are aware of the situation can be of immense importance and encouragement to continue the resistance. Moreover, this help is cherished so much more when it comes from people who have themselves experienced a communist dictatorship of the same league as the Cuban regime, and have been able to overcome it. The engagement of Central Europeans in Cuba is unquestionably an invaluable commodity in the eyes of dissidents in Cuba.

For this reason, the specialist training of Cuban experts carried out by V4 NGOs (in particular PIPA and PIN) is very important. Cuban dissidents, journalists, economists and teachers can benefit much more from a training session if it is given by individuals with personal experience of clandestine activities. These initiatives are of great importance because they prepare Cubans for the difficult transition that the country is likely to experience in the future.

Alongside this crucial activity on the island, the V4 NGOs are raising awareness about Cuba in Europe. This is essential on a continent that rarely perceives Cuba as a relevant issue, and where various political forces still applaud the achievements of Castro's Revolution. As an example, it is clear that the majority of Europeans who know something about the Cuban healthcare system base their views on the situation that preceded the collapse of the Soviet Union. The most recent source of information reaching a wider audience

on this subject comes from Michael Moore's 2007 'docu-fiction', *Sicko*, which presents an idyllic, and completely distorted, image of the current situation in Cuban hospitals. Clearly, the task of dismissing myths about Cuba is still unfinished business in Europe.

V4 NGOs are effective campaigners in their respective countries, and links established with NGOs in other countries have served to increase awareness about the situation in Cuba elsewhere in the EU as well.

These activities have the undeniably positive effect of dismissing a range of myths that persist on the Old Continent about Castro's Revolution. Nevertheless, they can have an undesired impact on the work of the NGOs that carry out the campaigns, especially if those same organisations are also active in the field of direct assistance to Cubans.

Indeed, campaigning against Castro in Europe is still akin to walking a tightrope surrounded by critics hurling outdated ideological rhetoric against the "US-backed" campaigners, and obstructing the delivery of objective messages. It is thus very important to present an independent image in order to gain the attention and eventually the confidence of potential audiences. But since almost all the funding for the campaigns in Europe comes from the US, it is difficult for any V4 organisation to demonstrate its political independence - let alone financial autonomy.

There are many examples of this public misunderstanding, often fed by European far-left groups or employees of Cuban embassies. For instance, during the screening of a documentary about Cuban dissidents organised by PIN in Brussels in 2007, several fierce critics in the audience accused the Czech organisation of being an extension of the US state department.

In addition, campaigning and lobbying activities in Europe are by definition public, and thus increase the risks for those NGOs that combine advocacy in Europe with direct activities on the island. It is well known that some V4 organisations are not welcome in Cuba (in particular PIN), and that even citizens of their countries are being increasingly targeted by the authorities of the island.

Czech Republic

People In Need (PIN)

Widely acknowledged as the most active non-American organisation engaged in Cuba, PIN's main focus is to bring direct help to the Cubans. At the same time, PIN does not neglect its advocacy task in Europe, and promotes the Cuban dissidents' cause with conferences, documentaries, exhibitions and direct lobbying in Brussels, where the common EU foreign policy is decided. PIN hosts the secretariat of the International Committee for Democracy in Cuba (ICDC), the most authoritative forum in Europe in support of the

Cuban opposition, and actively participated in the conception and launch of the European Partnership for Democracy (EPD), of which they are now an associated partner organisation.

The direct support to the Cubans is carried out through a variety of different projects, most importantly support to the families of political prisoners and the training of independent journalists. The help to prisoners' relatives is delivered with a certain regularity by people that visit the island on behalf of PIN. They bring money and books (in particular banned ones, such as biographies of Mahatma Gandhi, Martin Luther King, Aung San Suu Kyi, Václav Havel, Primo Levi, Alexander Solzhenitsyn, or history books about the transition from communism in Central and Eastern Europe), as well as medicines and electronic goods (cameras, video-cameras, computers, printers, and flash memory cards).

The support to Cuban independent journalists involves training sessions and the delivery of financial and material support to media representatives on the island. Their work is banned by the authorities, and their websites are not accessible from Cuba. PIN helps them to carry on their work. One of the most significant achievements of Cuban independent journalists was the launch of the agency CubaNet, which reports stories completely obscured by the public media.

PIN supports leading dissident personalities "on a strictly non-partisan basis", as well as assisting the relatives of jailed prisoners. PIN co-operates with almost all the V4 NGOs active on Cuban issues.

Pontes

Active in support of circles linked to the Cuban Churches, which are considered to be a credible, non-political tool to promote potential change into stagnant Cuban political life. As the most important religious organisation on the island is the Catholic Church, Pontes works mainly with people linked to this congregation. Among Protestant circles, the most significant relations are with the Western Baptist Convention. Support to date has concentrated mainly on building small libraries, and delivering films and other materials to the respective communities. The added value of this activity lies in the fact that the aid focuses on groups located in towns far from Havana, where the bulk of the foreign help is generally delivered, often neglecting the most remote areas of the island.

Pontes also plans to follow the example of bigger V4 NGOs by bringing to the island scholars to meet theological seminary students. With sufficient funding, Pontes could also provide scholarships to Cuban students, enabling them to study theology at a university in Europe.

Slovakia

People in Peril Association (PIPA)

PIPA is one of the most dynamic and innovative organisations involved on Cuban issues. Besides delivering financial, material and moral support to dissidents, PIPA has developed a range of new approaches that have been regarded as very effective. Active co-operation with Cuban experts in the field of economics and education has produced two papers providing in-depth analysis of the situation in the country in these sectors, and suggesting potential changes from a transitional point of view. The works include contributions by Cuban experts and comments from their Central European counterparts. This activity also includes training sessions in Cuba by European experts in economics and education. The most marked outcome has been the creation of civil society groups in Cuba, whose members are able to communicate among themselves, notably without foreign help. This is of particular importance in a country where freedom of assembly is banned.

PIPA also helps selected dissidents and their families directly by arranging their adoption by Slovak politicians, firms, organisations or individuals, therefore assuring a more stable flow of money, and simultaneously raising awareness in Slovakia about the real situation in Cuba. PIPA co-operates mainly with PIN and with the Pontis Foundation.

Pontis Foundation

The activities of the Pontis Foundation in Cuba are aimed at supporting the dissident movement and helping the families of imprisoned dissidents. The foundation co-operates closely with PIPA and PIN. It supplies forbidden literature and material aid to dissidents, and organises collections in Slovakia to support civic activists and political prisoners' wives, particularly in the poorest regions of Cuba. The foundation has initiated protest letters addressed to Cuban officials, co-organised visits of Cuban dissidents to Slovakia, and organised various events and happenings in support of persecuted dissidents. In 2005, it joined an international campaign in Europe and Latin America for democracy in Cuba. With PIN, Pontis Foundation participated in the conception and launch of EPD.

Poland

Lech Wałęsa Institute Foundation

Since 2006, the Lech Wałęsa Institute Foundation has been implementing the project, "Polish Solidarity with Cuba", which mainly aims to raise awareness among Polish people about the Cuban civil society and peaceful democratic movement. The project is also addressed towards the representatives of Cuban civil society and supports their activities. This means mainly editing and publishing their articles, essays and appeals on the web portal www.solidarnizkuba.pl available in three languages (Polish, Spanish and English).

RAISING TEACHING STANDARDS: A CASE OF CENTRAL EUROPEAN CO-ORDINATION

The Cuban educational system is one of the sectors most affected by the new economic reality imposed on the island by the collapse of the Soviet Union. The financial conditions of teachers have since decreased sharply. The quality of lessons has fallen abruptly, too. To fill this gap, one Cuban teacher participated in a project run by a Slovak NGO to allow cultural exchanges among Central European and Cuban teachers.

The experience of teachers who had lived through communism, the transition and then

the first stage of capitalism helped him to understand better the current situation of his country and the possibilities for change. The project brings together teachers from all over the island to offer lessons in English, informatics, and painting. Both Slovak and Czech NGOs were active in providing them with computers, printers, and other basic tools for teaching.

This is an example of positive co-ordination in the delivery of aid. It also shows that Cuban civil society can network. The initiative has a youth branch, whose members are students and young teachers. It is one of the few cases of Cuban youth groups that are not part of the ubiquitous party-run youth associations.

Cuban dissidents often mention the work of the Polish NGO. At the moment, the foundation is not directly involved in activities on the island.

Nevertheless, in November 2007 the President of the Institute, Piotr Gulczyński, visited Cuba for two weeks, and met political dissidents and *Damas de Blanco* (Ladies in White, a network of relatives of political prisoners - see box on next page). On that occasion, he delivered a letter in support of the Cuban opposition from the former Solidarity leader, Polish President and Nobel Peace laureate, Lech Wałęsa. Moreover, some Cuban dissidents say they have received help from the Lech Wałęsa Institute. The foundation co-operates with PIN, mainly exchanging information and contacts related to campaigns in Europe. Representatives of the foundation exclude neither future involvement in activities providing direct assistance to the Cuban people nor lobbying in Brussels, but they underlined the need for sufficient funding to carry out these tasks.

Hungary

Freedom House Europe - Hungary

The Hungarian branch of Freedom House, USA, Freedom House Europe usually runs its projects entirely separately from the activities of the US headquarters. In Hungary, it represents the most important NGO active on Cuban issues. It has so far worked only on projects in Hungary. One included the organisation of educational events for the youth branches of Hungarian political parties in order to exercise a bottom-up influence towards

**WAITING FOR JUSTICE:
LADIES IN WHITE**

Damas de Blanco (Ladies in White) is a network of wives, sisters and mothers of political prisoners. Strong financial support is a particular need of the *Damas de Blanco* because they often rely exclusively on foreign help. As relatives of political prisoners, they are usually prevented from working.

Moreover, to visit their relatives in jail, they often have to take long trips owing to the Cuban authorities' policy of moving political prisoners far away from their home areas. Transport outside of the cities is very expensive for an average Cuban (a trip of 200 kilometres can cost one month's salary). According to one prisoner's wife, she receives money from organisations in Miami and support from NGOs based in Germany, the Czech Republic, Poland, and Mexico.

Her experience is an important example of the lack of communications that sometimes characterises the relations between foreign activists and Cuban dissidents. She asked for three video-cameras for use in the event of harassment from the authorities or Communist party members.

The cameras were supposed to be shared with other *Damas de Blanco*, based outside Havana. She received only two, and she is able to use only one of them.

Nobody explained to her how the machine works. Moreover, the two cameras came with only one battery charger and one flash memory card, which makes it impossible to use them separately. She complains also about the medicines they receive to meet the basic needs of the prisoners. Often they are not useful for the particular necessities of the person in jail to whom they are addressed.

national decision-makers in relation to the traditionally very cautious stance of Budapest about human rights violations. Another project aimed to increase the awareness of Hungarian people about the situation in Cuba through conferences and public events. To date, Freedom House Europe has not been involved in any project giving direct help to Cuban dissidents, although a plan to train journalists on the island was the subject of discussions in mid-2008. Freedom House Europe has collaborated with the International Centre for Democratic Transition (ICDT).

International Centre for Democratic Transition (ICDT)

This Hungarian government-funded NGO does not work on the island. Its main focus is carrying out projects to raise awareness on Cuban issues in Hungary, usually in collaboration with Freedom House. ICDT has contacts with Directorio Democratico Cubano and other Cuban organisations in the US. Although ICDT takes funding from other donors, its association with the Hungarian government makes it appear closely linked to political decisions in Budapest - more so than the other V4 NGOs with their respective governments.

Co-ordination of Policies Between Visegrad Countries - and with Other Donors

Apart from the examples cited of co-ordination among V4 NGOs and with US donors, both for projects in the field and for campaigns in Europe, a distinctive feature of the efforts on Cuban issues remains the insufficient collaboration among the actors involved.

The co-ordination of the foreign policies of Poland, the Czech Republic, Slovakia and Hungary is very low in relation to Cuba. Even when they share common objectives, they generally do not act together - either on the island or at the EU level. This clearly diminishes the effectiveness of their efforts, and has repercussions on the work of their respective national NGOs.

The lack of co-operation can also be seen among the top US donors who, for reasons of security, tend not to share information about their activities and funding. The negative impact on the work of the actors in the field is inevitable. This is particularly evident in the activities involving delivery of financial and material aid to the Cuban opposition. Due to lack of co-ordination, the support is often intermittent and in other cases subject to duplication. This results in imbalances in the support to different dissidents.

However, Europeans and Americans are not the only ones who need to correct this problem. Responsibility also lies with the Cuban opposition, which appears to be too fragmented. These internal divisions are also stirred up and exploited by the Cuban authorities to further weaken the overall anti-Castro forces.

Under the circumstances, the flow of foreign aid has had to rely increasingly on a decentralised model, which involves the distribution of money and goods to the final recipients, and not to some identified leaders who then would be in charge of the allocations. Decentralisation has the advantage that it is less vulnerable to crackdowns by the authorities - and to a certain extent it is always necessary to have personal contacts with dissidents who need moral as well as material support - but it is less effective and does not favour the process of community-building that is crucial to the strengthening of the Cuban opposition. This decentralised approach for the delivery of aid requires even closer co-ordination among donors and among carriers.

Another shortfall lies in the sparse communication with the final recipients - with the effect of sometimes delivering goods that are not necessary or are different from the ones requested, for example medicines. The cultural material is often redundant - the independent libraries in Havana are filled with multiple copies of the same book about the Czechoslovak transition from communism to capitalism and the same biography of Martin Luther King.

Problems also arise concerning the electronic goods. They arrive without essential components needed for their use, like flash memory cards or battery chargers. In other cases, they are delivered without the necessary information to allow the recipients to properly use them.

In addition, Cuban recipients often complained that they are rarely given the opportunity to participate in the definition and design of the projects run on the island. The foreign organisations come with their own agenda, and the Cubans feel they do not have any say. This is clearly a problem of lack of communications, but it is also due to the structure of the funding chain. The programmes and the funding are indeed in some cases suggested in Washington in the form of guidelines and objectives, and decided in the implementing and financial details in Miami by Cuban-American organisations. In such a complex process, it is not surprising the Cubans feel left out.

Furthermore, the V4 lobbying activity in Brussels, where the ultimate decisions on the common EU foreign policy are taken, is still not co-ordinated and remains intermittent. The outcome is the regular reiteration of a scaled-down EU common position towards Cuba that has proved to be ineffective, and that in its latest version presents new signs of openness towards the regime. The political stalemate has also had a financial side-effect as it has so far prevented the European Commission and the European Parliament, which manages the EU budget, from allocating funding in favour of the support of democracy in Cuba. The V4 governments of course bear the main responsibility for the lack of organised lobbying activities, but the NGOs also must accept their share of responsibility. No V4 NGO operating in Cuba has a representative office in Brussels. The lobbying has thus been limited to the final stages of the decision-making process, and personal contacts with the relevant actors have not been developed enough.

The recent launch in April 2008 of the Brussels-based European Partnership for Democracy (EPD), promoted by a number of V4 NGOs, partially funded by the Czech government, and with a founding board including Czech, Polish and Slovak NGO representatives, clearly opens a new chapter. However, EPD is unlikely to undertake any project concerning Cuba during its first year of activity. The Czech Presidency of the EU in the first half of 2009 represents another opportunity to put Cuba on the EU democracy agenda.

Projects selected for study

Training programme and support to Cuban independent journalists (PIN)
 'SOS Cuba' to support political prisoners and their families (PIN)
 'Transition Project' to deliver handbooks about the Czech political transition process (PIN)
 Documentary films on Cuban issues (PIN)
 'Hotel Cuba' to inform European tourists travelling to the island about the political situation in Cuba (PIN)

Conferences and campaigns in Europe to raise awareness on Cuban issues (PIN - PIPA)
 Promotion of independent research and think-tanks in Cuba (PIPA)
 Preparing Cuban intellectuals, economists, and teachers for the transition of Cuba (PIPA)
 Publishing and distribution for informal education centres and independent libraries in Cuba (PIPA)
 Support to political activists and their families (PIPA)
 Humanitarian help to families of dissidents in Cuba and awareness-raising campaigns in Slovakia and Europe (Pontis Foundation)
 Support to independent libraries in Cuba (Pontes)
 'Hungarian Cuba Democracy Project' to inform Hungarian public on Cuban current issues (Freedom House Europe - Hungary)
 'Polish Solidarity with Cuba', mainly aimed at raising the awareness of the Polish people about the Cuban civil society and peaceful democratic movement (Lech Wałęsa Institute)

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 Pontes - <http://www.i-pontes.org/>
 Pontis Foundation, Cuba - <http://www.nadaciapontis.sk/en/kuba>

Lech Wałęsa Institute, Solidarity with Cuba - <http://www.solidarnizkuba.pl/en/index>

Freedom House Europe, Hungary - <http://www.freedomhouse.hu/>

International Centre for Democratic Transition, Hungary -
<http://www.icdt.hu/index.php?lang=en>

Supporting Elusive Consolidation

Democracy Assistance Policies of the Visegrad Four Countries: Ukraine

*Natalia Shapovalova and Olga Shumylo
International Centre for Policy Studies, Ukraine*

Ukraine's transition to democracy - first steps, first obstacles: The first decade of Ukraine's independence was marked by the creation of the nation-state and introduction of political and economic freedoms. The first free and fair parliamentary and presidential elections were held in the early 1990s, and the multiparty system came to life. The Constitution was adopted in 1996, introducing the division of power, and political and economic freedoms. The private mass media appeared as an independent trumpet, and civil society arose. However, the change of elites did not happen. The Communists were the largest party in the parliament, and the former dissidents were divided and in opposition, whereas the emerging new parties were driven rather by the economic interests of their leaders than by a mandate to represent society.

The semi-presidential system introduced by the 1996 Constitution allowed the president to consolidate his power and subordinate the parliament and judiciary, and the de-Sovietisation reforms came to a halt. The decentralisation of government was not implemented, the established local government was not empowered and provided with resources, and the government machine functioned according to the logic and rules of central planning. The privatisation process lacked transparency and competition, and only politically loyal economic groups were able to enjoy a share in the state pie. The regime sought to maintain the *status quo*, suppressing economic and political competition, leading to the development of authoritarian rule. At the end of the 1990s, Ukraine was experiencing a backlash against democracy.

The breach with the past - on the way to consolidated democracy: The Orange Revolution in 2004 was a turning-point in Ukraine's transition from semi-authoritarian regime to democracy. It helped realise free elections, freedom of speech, and free political competition. Furthermore, due to the accompanying constitutional reforms, the legislative branch gained more powers, while the president's authority became more limited. However, despite these fundamental changes in Ukraine's political system, democratic consolidation has still not taken place. Ukraine's democracy has been characterised as a

“vibrant”, but “nonetheless fragile and dysfunctional” one, or as not yet a democracy “in the European meaning of the term”.¹

Ukraine lacks established and stable functioning democratic institutions, as well as the formation of a civic political culture. Institutional weakness is the main issue that needs to be tackled - and the main cause of political instability in Ukraine.² Reform of the judiciary, including the Constitutional Court and law enforcement bodies, aimed at ensuring its independence, impartiality and effectiveness, has been implemented, but public administration reform collapsed in an internal dispute between the two centres of power in the executive branch. No progress has been achieved in transforming state radio and television companies into public-service and private broadcasters, while constitutional reform has become reduced to a tug-of-war between the President, Parliament, and main political forces.

Organised civil society (mostly NGOs), which proved to be effective during the Orange revolution, remains weak in terms of influencing the policy process. It lacks experience, knowledge and weight, remaining dependent on Western support.³ Public authorities do not regard civil society organisations as partners in consultations, policy-making, or provision of social services. The current state regulation of NGOs’ activities is discriminatory compared with regulation of the business sector. The main risk for civil society organisations is the weak development of local funding sources and the critical dependence of certain kinds of NGOs on international donors.⁴

KEY CONCLUSIONS

The main conclusion is that - despite relatively limited funds - the Visegrad Four (V4) countries’ democracy assistance is crucially important for Ukraine. **V4 government and NGO experts are closer to Ukrainians than their EU-15 counterparts, and their fresh transformation experience can be readily used.**

By and large, Ukrainians felt more comfortable talking to Polish counterparts when it came to the experience of decentralisation or combatting corruption, and to Slovak experts about improving democratic indicators after the fall of a regime with autocratic tendencies (e.g. post-Mečiar democratisation), than with their EU-15 counterparts. Ukrainian local authorities on the western border found it

easier to tackle the problem of national minorities in co-operation with their Hungarian counterparts, and Ukrainian border guards learnt a lot from their Polish and Slovak colleagues in terms of border management and the fight against illegal migration and corruption on the border.

Given the short history of V4 assistance, it is difficult to assess its direct impact on democracy promotion in Ukraine. However, it is apparent that despite their limited funds Polish, Slovak, Czech and Hungarian governmental and non-governmental experts also found their way to Ukrainian NGOs and governments through projects and initiatives funded by other donors (e.g. the United States Agency for International Development (USAID), the EU, or private foundations).

The priorities of the V4 governments did not differ much from the priorities of USAID, the EU, the Swedish International Development Co-operation Agency (SIDA) or other big donors. But the value of V4 support was hidden in the details, for instance in the ability of Ukrainian partners to shape projects, in the link between Ukrainian needs and assistance, and in the support to small and sometimes unknown Ukrainian NGOs.

Moreover, V4 countries helped fill a gap in assistance to Ukraine by creating various scholarship programmes that sometimes outnumbered their big donor partners.

POLICY RECOMMENDATIONS TO VISEGRAD GOVERNMENTS

- Continue their peer pressure on Ukrainian politicians in terms of further democratisation steps, and remain advocates of Ukraine’s European aspirations, hand in hand with promoting offers of ever closer integration with the EU (e.g. deep free trade, joint activities in foreign policy and security policy, border management and migration, etc.)
- Continue provision of support to civil society, and co-ordinate activities and funds to support big strategic projects for civil society, e.g. via the International Visegrad Fund or another mechanism of re-granting for the needs of Ukrainian civil society
- Study options for the modification of approaches to democracy assistance to enable Ukrainian NGOs to apply for funds directly to the Ministries of Foreign Affairs of the V4 countries
- Continue micro-grant schemes (in the case of Poland, study the possibility of revising

the procedure of applications for grants at the embassy level to enable projects to start earlier in the year)

- Support strategic, long-lasting partnerships between Ukrainian NGOs and their V4 counterparts, and pool resources in bigger projects with other donors in order to strengthen the impact of V4 funds on democracy promotion in Ukraine
- Provide expert support to Ukraine’s alignment with EU norms and standards in the framework of the EU-Ukraine enhanced agreement (especially regarding the rule of law and independence of the judiciary)⁵
- Share the experience of participation in EU agencies and programmes, and help Ukraine create the necessary institutions
- Since the approximation of legislation and adoption of EU norms will require financial assistance, identify areas that could be supported from funds within bilateral assistance to Ukraine
- Encourage V4 ministries and other government agencies to participate in EU-funded twinning projects with the Ukrainian government
- Engage the representatives of Ukrainian NGOs in discussions of assistance priorities, and use the experience of Polish MFA to hold consultations with the Ukrainian government, the NGO community, and other donors for the identification of funding priorities
- Increase the number of scholarships for Ukrainian students to enable them to learn about democracy by studying and living in V4 countries.

- Include social aspects of democratisation (e.g. assistance to indigent groups, human rights and minority rights) as assistance priorities
- Engage the Ukrainian government in assistance initiatives for other countries-in-need (e.g. Belarus)
- Highlight the priority of assistance to democracy and human rights in EU's aid instruments and initiatives targeting Ukraine (including the Eastern Partnership).

RECOMMENDATIONS TO VISEGRAD NGOS

- Continue co-operation with Ukrainian NGOs trying to cover the regions of Ukraine that remain underdeveloped and receive less assistance (e.g. eastern and southern Ukraine or communities in small towns)
- Focus on capacity-building projects for Ukrainian civil society organisations, transferring knowledge in monitoring and advocacy, lobbying for legislative changes in regulation of NGOs and donors' practices
- Engage the representatives of Ukrainian NGOs in discussions of assistance priorities of V4 governments
- Engage Ukrainian NGOs in projects that aim at democracy-building in other countries-in-need (e.g. Belarus)
- Build lasting partnerships with NGOs from other EU member states through involvement in joint projects targeting Ukraine, and raise the interest of West European partners in continued activities in Ukraine.

International Democracy Assistance to Ukraine

For more than a decade, Ukraine has been receiving assistance from international organisations, from the EU and individual member states. Until the mid-1990s, assistance was given on an *ad hoc* basis. In most cases, it was neither clearly connected to the country's needs nor targeted at the implementation of a specific reform agenda. The situation was made worse by Ukraine's lack of readiness to absorb foreign financial assistance - there were no government or civil society structures to ensure that the aid matched the desired ends. Yet, in spite of these pitfalls, the international donor community has provided significant financial support for the development and sustainability of democracy and a market economy.

The main donors engaged in support for the building of democracy in Ukraine are the United States (via government and non-governmental support) and the EU. Individual EU

member states (UK, Sweden, Netherlands and Germany) also targeted their assistance to this goal. The priorities of these donors do not differ much. Most of them direct their assistance to strengthening public administration (with the US and UK taking the lead), establishing an independent judiciary (the US and the EU), supporting political parties and parliamentarianism (Germany and the UK), and developing civil society (all donors list it as their priority under the democracy promotion heading). The difference becomes visible when it comes to projects funded by these donors. Whereas the US, Sweden and the Netherlands provide assistance to both the Ukrainian government and NGOs, the EU prefers to direct its assistance mostly to the government agencies.

It is difficult to provide a full picture of democracy assistance to Ukraine by major donors as the information is fragmented and sometimes unavailable. The table below shows the allocation of official development assistance by the top ten donors to Ukraine with approximate shares of democracy assistance as a general guide rather than hard data on international democracy assistance to the country.

Top Ten Donors of Gross ODA to Ukraine (2005-2006 annual average) ⁶

| | | Gross ODA (€ million) | Share allocated to democracy assistance ⁷ |
|----|--|--------------------------|---|
| | | | Government and civil society sector (OECD) (% of ODA and € million) |
| 1 | US | 98.22 | (33%) 33.28 |
| 2 | European Commission | 93.46 | (43%) 40 |
| 3 | Germany | 46.73 | (5.5%) 2.61 |
| 4 | Canada | 13.46 | (69%) 9.38 |
| 5 | France | 11.88 | (0.01%) 0.146 |
| 6 | Sweden | 11.09 | (38%) 4.23 |
| 7 | Global Fund to Fight AIDS, Tuberculosis and Malaria | 10.3 | - |
| 8 | United Kingdom | 8.7 | (43%) 3.8 |
| 9 | Switzerland | 8.7 | (14%) 1.27 |
| 10 | Turkey | 8.7 | N/A |

The US, EU, and Canada spent the most on democracy assistance in Ukraine from official development assistance (ODA) funds in 2005-6. Among the biggest European donors, the largest “democracy promoters” are Germany, Sweden and the UK. In contrast France, one of the top five donors to Ukraine, allocated only 0.01% of its total annual assistance of € 11.88m to the government and civil society sector.

Even very rough estimates of the share of democracy assistance in the allocation of V4 countries’ ODA to Ukraine show that Poland spent a higher share of its ODA allocation on democracy assistance to Ukraine than the UK or Sweden.⁸

US democracy assistance

US democracy assistance has been (and continues to be) the largest in the case of Ukraine. This assistance has focused on a “bottom-up” democratisation through supporting civil society.⁹ It has been streamlined through various government agencies (with USAID taking the lead¹⁰), as well as private funds and non-governmental organisations of global scope.

Within its democracy promotion priority, USAID targeted such issues as elections, independence of the media, the rule of law, civil society, and local government. In 2007, 62% of USAID assistance was directed towards democracy promotion, whereas economic growth and investment in people received 33% and 5% accordingly.¹¹

USAID provided support to the introduction of good governance (US\$ 7.717m assigned in 2004 and US\$ 8.117m in 2005), the strengthening of the parliamentary system (US\$ 1m in 2004), and adherence to the rule of law (US\$ 800,000).¹² Aid was provided to media initiatives (US\$ 2.158m) and to the strengthening of political parties (US\$ 2.428m) in 2005.

One of the most informative examples of US assistance to the non-governmental sector was provided by the US National Endowment for Democracy (NED). NED supported Ukrainian NGOs (both advocacy groups and think-tanks) for the promotion of youth policies, independence of the media, and free and fair elections; for academic exchanges and civic education; for the protection of human rights and other related activities. The NED-funded projects covered the whole country (including the Crimean Peninsula).¹³

EU democracy assistance

The EU’s assistance to Ukraine has been more modest than that of the US government and private sector. The EU has been relatively reticent to emphasize “democracy” in relations with Ukraine, both at the level of its strategic documents and in its assistance. Nevertheless, the EU directed its assistance to democracy promotion in Ukraine through two instruments.¹⁴

The first instrument - the TACIS (Technical Aid to the Commonwealth of Independent States) programme - primarily provided support to the Ukrainian government, while civil society-oriented projects were implemented through consortia of large EU-based NGOs and consultancies. Around 25% of TACIS assistance in 2004-2006 could be categorised as democracy assistance (the total of € 212m under the TACIS programme included € 15m for legal and administrative reform; € 10m for civil society, media and democracy, and € 25m for education and training).¹⁵ Only a small amount of the € 60m for the Action Plan on Justice and Home Affairs was allotted to anything besides illegal migration and border control.¹⁶

The second instrument - the European Initiative for Democracy and Human Rights (EIDHR) - provided assistance to Ukrainian NGOs for various activities related to the development of civil society. In 2005, the EU assigned € 1.025m for human rights issues (out of which € 465,000 went to the fostering of a culture of human rights and € 560,000 to promoting the democratic process). The sum slightly decreased in 2006, falling to € 950,000, comprising € 300,000 for fostering a culture of human rights and € 650,000 for promoting the democratic process.¹⁷

Ukrainian NGOs received around € 4.5 million for the implementation of five macro-projects (between € 300,000 and € 1m each) and 27 micro-projects (between €50,000 and €100,000) over the period of 2002-2005.¹⁸ However, the “complicated application procedures and harsh requirements, as well as NGOs’ unpreparedness to compete for such big funds”¹⁹ further limited the impact of EU assistance in Ukraine.²⁰

A change in the EU’s overall policy approach came with the launch of the European Neighbourhood Policy (ENP) in 2004, with its clear objective of promoting democracy [and stability] in the region. The EU assigned a whole chapter to “democratic reform” in the EU-Ukraine Action Plan, and Ukraine committed itself to the implementation of all democracy-related positions. Following this trend, the European Neighbourhood and Partnership Instrument (ENPI) puts more emphasis on democracy promotion, and envisages 30% (€ 148.2m in 2007-2010) of its total budget for Ukraine (€ 494m) being used for democratic development and governance initiatives.²¹

Nowadays, the EU is making small, but significant steps towards Ukrainian civil society by engaging it in discussion of the EU-Ukraine Action Plan or the priorities for the new enhanced agreement, as well as by providing new funding opportunities within the reformed European Instrument for Democracy and Human Rights (EIDHR II). However, the EU still lags behind the US in terms of the scope and impact of its democracy assistance. Serious shortcomings persist on the side of the EU’s assistance, such as limited funds for Ukrainian NGOs and the lack of attention to projects aimed at political parties (a topic of crucial importance for Ukraine today).²²

Assistance of old EU member states

Democracy assistance to Ukraine is also provided by the EU member states through bilateral co-operation agreements. **Germany** is the largest donor among the old EU-15, ranked third after the US and the EU. By and large, Germany directs its democracy assistance through its political party-affiliated foundations. There are five representative offices of German political foundations in Kyiv - the Christian Democratic Union's Konrad-Adenauer-Foundation, the Bavarian Christian Social Union's Hanns-Seidel-Foundation, the Social Democratic Friedrich-Ebert-Foundation, the Greens' Heinrich-Böll-Foundation, and the Free Democrats' Friedrich-Naumann-Foundation - mainly providing assistance towards political party development, but also European and transatlantic programmes and fostering political culture and debate in Ukraine. Over the years, the foundations have supported hundreds of roundtables and expert discussions on important issues surrounding Ukraine's democratisation both in Kyiv and in various regions.

The **UK** is another strong supporter of Ukraine's democratisation and integration with the EU. From 1991-2008, the UK's funds have been channelled through the Department for International Development (DFID). In 2004-2007, DFID designated around € 9.14m for projects that can be classified as democracy assistance projects in Ukraine.²³ Around three-quarters of these funds went to projects aimed at strengthening government capacities, while one-quarter was spent on civil society organisations' capacity-building.

Currently, Ukraine is covered by UK democracy assistance in the framework of the Global Opportunities Fund's Reuniting Europe Programme (GOF). The objectives of the Reuniting Europe Programme are to increase political transparency and good governance, strengthen reforms in the justice sector and promote human rights, build capacity in public administration, and strengthen economic reforms in line with the Lisbon agenda.²⁴ GOF encourages the beneficiaries of the programme to use the expertise of new EU member states. Ukraine has a ring-fenced, devolved allocation of € 805,000 (GBP 550,000) within the Reuniting Europe Programme's total budget of € 8.5 million (GBP 5.815m) in 2007-2008.²⁵

According to the 2005 report of the **Swedish** International Development Co-operation Agency (SIDA), Ukraine was ranked as the fourth largest recipient of Sweden's foreign assistance among Eastern European and Central Asian countries - after Bosnia and Herzegovina, Russia, and (then) Serbia and Montenegro. In 2005, Ukraine's share of total aid allocated to all countries by Sweden amounted to 0.48%.²⁶

Almost one-quarter of the Swedish development assistance budget for Ukraine is allocated for democracy assistance. In 2005-2007, Ukraine received around € 10.5m of democracy assistance from SIDA - around € 2.3m (SEK 23m) in 2005, € 3m (SEK 28m) in 2006, and € 5.2m (SEK 48.6m) in 2007 - for projects that dealt with human rights and democratic governance.²⁷

The goals of SIDA's democracy assistance programmes are to strengthen institutions and to promote active civic participation and a democratic culture, including respect for human rights, while SIDA supports Ukrainian NGOs through its Swedish counterparts. The development assistance is mainly operated through Swedish organisations, organisations in partner countries, and international NGOs. However, Sweden also provides assistance directly to Ukrainian NGOs.

Despite the substantive economic component of the aid, assistance from the **Netherlands** has a strong focus on democracy and civil society development in Ukraine. This is achieved through the government's MATRA programme that was launched by the Dutch MFA back in 1994 with the aim of supporting the transformation and democratisation of the Central and Eastern Europe region (including Ukraine). The programme was strengthened in 2000 when the new objectives were set (for instance, the approaching EU enlargement and closer ties with post-Soviet countries).

MATRA in Ukraine is composed of two main sub-programmes: the programme of MATRA (MPP) projects and the programme of small-scale initiatives (MATRA KAP). The MPP is aimed at the transfer of knowledge and skills between Dutch and Ukrainian institutions, and is administered by the MFA. The maximum financing available for a project is € 680,000. MATRA KAP is aimed at the support of initiatives calling for societal reform at the local level, and is co-ordinated by the embassy in Kyiv. The annual budget of MATRA KAP is about € 300,000 - € 350,000, with a project budget ceiling of € 15, 000.

In total, Ukraine has received around € 16m through the MATRA projects programme and the programme of small projects with the support of the Dutch Embassy in Kyiv.²⁸ The projects are primarily aimed at the strengthening of civil society and local government. In the governmental sphere, projects were initiated that helped the introduction of dialogue between local (regional) authorities, civic organisations, and citizens.

Visegrad Four Countries' Democracy Assistance to Ukraine

Ukraine on V4 foreign policy maps: Officially, Ukraine has been on the map of the V4 countries' foreign policy ever since independence. Its geographic proximity, as well as historical ties, made Ukraine the target for V4 countries' foreign policy and assistance. Coupled with Belarus, Ukraine has been the number one priority of the Polish foreign policy strategy (and it remains there in the new *Strategy*). It is high on the foreign policy agenda of Slovakia whereas, for Hungary and the Czech Republic, Ukraine remains just one of a number of priority countries in the post-Soviet space.

V4 countries take a lead in Europe's democratic aid to Ukraine: The overall impact of the V4 countries on Ukraine's democratisation has been tremendous. It ranges from the support to democratic transformation at a very high political level down to expert co-operation in, and support to, reform implementation, to daily people-to-people contacts. The V4 countries are low-budget donors in comparison with the US, Canada or Sweden, but the lion's share of their development assistance to Ukraine goes to democratisation projects. Due to that fact, the V4 countries have become leading European actors in this field - with Poland taking the lead in Ukraine. Moreover, the V4 countries have the scope to increase their funding over the years to come in order to meet EU targets for a higher share of gross domestic product (GDP) allocated to official development assistance.

Furthermore, in the case of Ukraine, certain factors are arguably more important than the amount of aid, in particular the peer pressure on the V4 side, combined with their understanding of transformation processes, fresh transformation experience, and readiness to share it. The democracy assistance is not necessarily provided in the framework of V4-funded projects. A lot of expert support is given through projects funded by other donors, for example, the UK's GOF Reuniting Europe Programme, or the East-East Partnership Without Borders programme of the Open Society Institute, or US funds supporting common V4-Ukraine projects where the experience of new EU member states can be transferred to countries in transition.

The roots of co-operation in the 1990s: Aside from political support to democratisation, the V4 governments have been active in practical terms, for instance in supporting expert exchange and co-operation. This has distinguished V4 governments from other donor governments, such as the US or EU member states, that provide funding but rarely engage in concrete projects.

The joint Poland-America-Ukraine Cooperation Initiative was created in 1999 under the initiative of three governments to help share the best practices of Poland's successful transition to democracy and a market economy.²⁹ Over the decade of its existence, PAUCI supported hundreds of projects that led to strong ties between Polish and Ukrainian NGOs, local government, and the mass media.³⁰ No similar joint initiatives were launched in terms of geographic coverage or types of activities between Ukraine and the other V4 countries. Still, there were examples of fruitful long-term co-operation, as for instance between Ukraine and Hungary in the Zakarpatya region or Slovak-Ukrainian co-operation for effective local governance in eastern Ukraine.

Three channels of democracy assistance from the V4 countries:

Assistance from the V4 countries was streamlined to Ukraine through three channels:

- the International Visegrad Fund (IVF),
- bilateral co-operation agreements (Ministries of Foreign Affairs and embassies), and

- V4 non-governmental organisations that worked with Ukraine.

The collective action of V4 countries: the International Visegrad Fund

Initially, the International Visegrad Fund (IVF) was created to support closer co-operation between the four countries of the region in the view of their accession to the EU. After its launch in July 2000, the Fund focused primarily on activities and projects within the Visegrad Group. However, the activities of the Fund were extended to the neighbouring countries, including Ukraine, in 2005. Since 2005, assistance to Ukraine has almost doubled in two years. The support via grants has been rather small in numbers, whereas the assistance via scholarships for Ukrainian students and scholars has been more significant. In 2005-2007, Ukrainians received approximately 127 scholarships amounting to € 738,000.³¹

| Grants and Scholarships Contracted to Ukraine via International Visegrad Fund ³² (€) | | | |
|--|-------------|-------------|-------------|
| | 2005 | 2006 | 2007 |
| Small Grants | N/A | 4,000 | 4,000 |
| Standard Grants | 14,000 | 5,000 | 47,000 |
| VSP Visegrad Scholarship Programme | 170,000 | 265,000 | 303,500 |
| Total amount | 184,000 | 274,000 | 354,500 |

Source: IVF annual reports 2005, 2006 and 2007

According to its 2006 annual report, around 2.3% of total IVF funding from 2000-2006 was allocated to Ukraine. This placed Ukraine at the top of the list of beneficiaries of IVF assistance right after the V4 countries (in comparison, Russia attracted only 0.2% of the total budget). In 2007, 8.8% of IVF funds went to Ukraine (accounting for 63% of funds going to non-V4 country grantees or scholarships). These figures do not include projects including Ukrainian partners, but led by applicants from other countries.³³ Ukraine has benefited a lot from the IVF assistance, which has provided Ukrainian scholars with access to V4 universities and enabled Ukrainian NGOs to participate in long-term cross-border projects with V4 counterparts.

The first example of a multilateral cross-border initiative supported by the IVF in Ukraine was a project on the partnership between small cities in Ukraine and V4 countries implemented by Ukrainian NGOs in 2006-2007.³⁴ The project was carried out with the assistance of the V4 embassies in Ukraine. In 2008, three projects in Ukraine were supported by IVF standard grants to Ukrainian NGOs with total support of € 40,000.³⁵

It is apparent that the assistance (especially scholarships) will have a positive impact on Ukraine in the years to come. However, it is difficult to assess the overall impact of the IVF's activities on democracy promotion in Ukraine given the short history of its activities.

There are no indications of direct co-ordination of the IVF's assistance activities with V4 governments' assistance to Ukraine. The IVF's assistance runs in parallel with V4 assistance, creating neither clashes nor duplications. However, more co-ordination of efforts between the IVF and V4 countries is needed to help create synergies in Visegrad assistance (at least at the level of scholarships for Ukrainian students and scholars).

Bilateral assistance of V4 governments to Ukraine

Poland is the longest-standing and most active advocate of Ukrainian membership in the EU and NATO. Both before and since its accession to the EU, **Poland** has contributed to the development of the Eastern dimension of the European Neighbourhood Policy (most recently through the initiative of an Eastern Partnership). Poland was also a major player in the support to democracy during and after the Orange Revolution. The President of Poland, Aleksander Kwaśniewski, played a major role in the international mediation during Ukraine's political conflict in 2004. Moreover, ever since 2000, when the administration of Ukrainian President Leonid Kuchma was isolated by the West because of breaches of democratic norms, Kwaśniewski was the only European leader visiting Ukraine to keep open a bridge to Europe.

Ukraine was chosen as one of the priority countries of Polish assistance, and since 2004 it has featured prominently as the beneficiary of democracy-promoting activities, funded both by the Ministry of Foreign Affairs and implemented by NGOs and local government. Polish aid to Ukraine can be classified as almost entirely democracy assistance. The main priorities are:

- to support Ukraine's integration to the EU and NATO;
- to strengthen public administration and local government;
- to broaden understanding of economic transformation and social reforms (e.g. education system, youth exchange, healthcare reform);
- civil society building (e.g. media, trade unions).³⁶

Ukraine was among the priority destinations for Poland's external assistance, both ODA and non-ODA, as expressed in Poland's strategy of development assistance, approved in 2003. With the growth of total external assistance, in 2006 Polish aid to Ukraine was also significantly increased: in 2006, Poland allocated about one-fifth of its aid to Ukraine as a priority country. Ukraine received € 4.9m (PLN 20m) in bilateral aid from Poland in 2005 and € 5.5m (PLN 22m) in 2006, falling to € 4m (PLN 15m) in 2007, but rising again to € 4.6m (PLN 16m) in 2008.

About 40% of Polish aid in 2007 was absorbed by NGO projects. Polish NGOs are able to submit project proposals to the Polish MFA in annual competitions, and NGO-driven projects supported by the MFA aim at sharing Polish knowledge and experience in economic and political reforms, EU integration, local government developments, and technical assistance in economic, social and institutional transformation activities. A total of 101 projects were implemented in 2007 in various areas of democracy assistance - the priorities in funding included education and youth (29 projects), local government and regional development (18), NGOs and civil society (15), and EU integration (15 projects).

Around 47% of the aid was channelled via public administration. Since 2006, along with central administration bodies, local government bodies have been able to submit project applications to the MFA. In 2007, 13% of the assistance was distributed through the micro-grants scheme administered by the Polish embassy in Kyiv. These grants can be obtained by Ukrainian NGOs directly. Apart from MFA-funded projects, many cross-border or partnership initiatives also involve Polish regions and local government through EU or other international funding.

In 2008, the amount of aid distributed via the embassy declined from € 530,000 to € 144,000, while the pool of funds given to local government projects increased. The decision was motivated by the low administration capacity of the embassy for grantmaking.

It is important to mention that representatives of the Polish MFA hold consultations on the assistance priorities with representatives of the Ukrainian government and NGOs (as well as the international donor community active in Ukraine). The target audience of Polish aid varies from scientists, researchers and advocacy activists to government officials at both central and local level. Special attention is paid to youth programmes.

Poland also provides fellowships and scholarships to Ukrainian students and research fellows through government and private initiatives. A total of 12,835 students from Ukraine attended Polish colleges and universities between 2000 and 2006, and the numbers have risen from year to year (75% more students were recorded in 2006 than in 2000).³⁷

The "Stipend of the Government of the Polish Republic for Young Scientists" has been open to applicants from Ukraine since 2003. Within this programme, around 21 Ukrainian students are studying in Poland during the 2007-2008 academic years. Ukrainian researchers are provided with scholarships from the Polish-American Freedom Foundation via its Lane Kirkland scholarship programme to implement projects that aim at advancing democracy, civil society, and a market economy.

The **Slovak Republic** also ranks Ukraine among its foreign policy and aid priority countries. In May 2004, the then Slovak Prime Minister Mikuláš Dzurinda declared that Ukraine and the Western Balkans would be "the most immediate and central priorities of Slovakia's

foreign policy". Slovakia stated its ambition to be an advocate for Ukraine and the Western Balkans countries in the EU and NATO, as well as to assist them with reforms and civil society development.³⁸

Ukraine is second only to Serbia in the number of democracy assistance projects supported under Slovak ODA. In 2004-2007, Ukraine received 3% of bilateral Slovak ODA allocated by the Slovak MFA.³⁹

Slovakia supported 11 projects in Ukraine: all of them were democracy assistance projects. The projects were aimed at building and strengthening the capacities of civil society, promoting independent print media, assisting the process of transformation of local government, and election monitoring. By the decision of the Slovak government in 2005, Slovak assistance to Ukraine should mainly focus on promoting activities consistent with those implemented under EU and NATO assistance programmes, in particular technical assistance provided under the EU-Ukraine Action Plan.

Almost all of the projects were implemented by Slovak NGOs in co-operation with Ukrainian counterparts, and were aimed at transferring Slovak transition experience to Ukraine. Within these projects, study visits of Ukrainian experts to Slovakia, joint seminars and conferences were organised.

The Slovak Embassy in Kyiv also provided assistance totalling € 27,000 (SKK 1m) per year through a scheme of micro-grants (up to € 5,000, or SKK 200,000, per grant) to Ukrainian NGOs in 2005-2007. Owing to lack of capacity, in 2008 the Slovak Embassy in Kyiv was temporarily not awarding micro-grants for the implementation of small projects.⁴⁰ Whereas the MFA-funded projects focused on various regions and issues in Ukraine, the small embassy grants usually focused on Kyiv-based projects. Special attention was given to cross-border co-operation, and a number of projects were implemented with emphasis on the Transcarpathian region.

In recent years, support for the Euro-Atlantic aspirations of Ukraine (including membership in NATO) has been a predominant focus of projects implemented by Slovak NGOs supported by the special grant scheme of the Slovak MFA, as well as of projects supported by external donors (German Marshall Fund of the United States (GMF), US National Endowment for Democracy (NED)).

The Slovak Embassy in Kyiv is the NATO contact embassy for Ukraine, and has been supportive in the implementation by Slovak NGOs of project activities in Ukraine dealing with the NATO agenda. Although the embassy does not support these activities financially, representatives of the embassy are frequent participants in panel discussions and conferences (also outside Kyiv), and they offer logistical support when it is needed.

Neither Hungary nor the Czech Republic put Ukraine high on their foreign policy and aid

agenda. In contrast with Slovakia and Poland, **Hungary** has so far paid little attention to the Eastern ENP at the top political level, and this is reflected in the amounts of bilateral assistance for democratisation to the Eastern ENP partners. If Poland has seen Ukraine as the main strategic partner to the East and a close ally in Europe, Hungary has had an interest to develop its relations with Ukraine primarily because of its special attention to the Zakarpatya region, where a large Hungarian minority lives (approximately 160,000, or 10% of the population of this region).

In contrast to "strategic partner" countries such as Bosnia and Herzegovina, Serbia, Montenegro and Vietnam, Ukraine is approached as a "partner" country within Hungary's official development assistance. Sharing Hungary's experience in political and economic transition (establishment of democratic structures, creating conditions for the transition to a free-market economy and good governance, providing assistance to small and medium-sized enterprises) is the first listed goal of Hungarian ODA.

By 2007, the Department for International Development Co-operation (DIDC) within the Hungarian MFA had committed to undertake 42 projects worth a total of € 1.1m (HUF 275.64m), focusing on governance and the civil sphere, health, education, trade, tourism and agriculture.⁴¹ In 2004-2007, eight projects were implemented with the support of the MFA in the sector of government, civil society, and education related to democratic governance. The total amount of funding committed to these projects was about € 206,000 (HUF 50.74m), out of which about € 195,000 was actually used.⁴² This represents about one-fifth of Hungary's ODA to Ukraine distributed via DIDC. The grants are given to Hungarian civil society organisations, which have to involve Ukrainian partners in the project implementation. As it is not always easy for Hungarian organisations to find Ukrainian counterparts, the MFA is concerned that projects have been delayed or a part of the committed funds has remained unspent.⁴³

In 2007, co-operation came to an end with the Canadian International Development Agency (CIDA) in the framework of the Official Development Assistance in Central Europe (ODACE) programme and the co-financing of a project aimed at the modernisation of the Ukrainian state administration system.⁴⁴

In 2003, the Hungarian government-funded Nyíregyháza Initiative for Ukraine was launched to support Ukraine's democratisation and integration with the EU in the fields of education, environmental protection, student exchange programmes, and the specified training of local municipality officials. In 2004-2006, more than € 641,000 was allocated for these purposes - mainly in the Zakarpatya region where a large Hungarian minority lives (in 2004, this amounted to more than € 39,000, in 2005 more than € 357,000, and in 2006 more than € 245,000).⁴⁵ Around 300 projects were implemented with a focus on civil society development and the strengthening of public administration. As in the cases of the Czech Republic and Poland, the strongest channel of democracy assistance to Ukraine was the non-governmental sector.⁴⁶

“Szeged Process - from Europe to Europe” is another Hungarian initiative, which primarily focuses on the Western Balkans, but includes an NGO-driven project implemented by the Szeged Centre for Security Policy, with the support of the European Economic Area Grants and Norwegian Financial Mechanism Programme in partnership with the Department for International Co-operation Programme at the Hungarian National Development Agency. The project consists of a series of study visits, training events and lectures for politicians, representatives of central government and municipalities, NGO representatives and experts from the Western Balkans countries and Ukraine. The Embassy of Hungary in Kyiv has assisted in the selection of candidates. Ukraine was involved in the project in 2006-2008, and four study visits were organised every year.

In 2002-2007, Ukraine featured among the priority countries for the **Czech Republic’s** development assistance; however, this assistance was not aimed at democracy assistance, but at the environment, transport, migration prevention, and nuclear-safety policies. In 2004, the Czech MFA introduced the Transition Promotion programme as a component of foreign development co-operation. The programme was designed to share the Czech transformation experience in the fields of education in key areas of social transformation, promotion of civil society and NGO activities, independent media, improvement of the standards of work of journalists, assistance in resolving problems related to undemocratic rule, and scientific research into aspects of transformation issues.

Activities and projects are realised either directly by the MFA (diplomatic missions abroad) or by partner institutions (including NGOs) in the form of projects partly or completely covered from Transition Promotion unit funds. Ukraine has become a country of priority interest in the field of transition promotion as a country in transition.⁴⁷ The assistance is provided through the Human Rights and Transition Policy department (HRTP) of the Ministry of Foreign Affairs.⁴⁸

The Transition Promotion unit allocated € 3,000 (one project) for Ukraine in 2005, and € 100,000 (covering four projects) in 2006. In 2007-2008, the programme supported six projects in Ukraine.⁴⁹ The biggest support to Ukraine’s democratisation from the Czech Republic comes from the non-governmental sector.⁵⁰

V4 diplomatic and consular missions as important facilitators: Embassies remain the crucial gateway to the V4 countries for Ukraine. In particular, they serve as information points about scholarships/fellowships that are provided by their national governments or private foundations for Ukrainian students and research fellows. For instance, the Polish embassy offers information about stipends for Ukrainian scholars who want to study in Polish universities (e.g. Warsaw University, Polish Academy of Sciences, universities in Lublin, Cracow or Gdansk), for Ukrainian scientists who want to serve an internship in Polish organisations, or for Ukrainian historians who want to use the archives of the Polish library in Paris. The Slovak Embassy provides information for Ukrainian students, academics and scientists about support for studies in Slovakia.

Aside from assistance channelled via special MFA departments, the embassies of the V4 countries (except Hungary) have provided small grants for projects directly to Ukrainian NGOs, even without them having a counterpart in a V4 country. Ukrainian NGOs complain that the small grants of the embassies provide very limited resources and that the procedures are cumbersome, in particular in the case of the Polish Embassy.⁵¹ However, these grants target Ukrainian NGOs, and they could quite easily be secured for the co-financing of bigger democratisation initiatives. Since 2008, all the V4 countries have reduced the amount of funds distributed via their embassies owing to the lack of administrative capacity.

The expansion of the network of consulates to the Ukrainian regions has helped V4 assistance to reach local communities and civil society organisations. Poland runs the most extensive network of five consular offices, including - apart from Kyiv - Kharkiv, Lutsk,

EAST-EAST EXCHANGE: EUROPEAN INTEGRATION KNOW-HOW

The manager of the *OSI East-East: Partnership without Borders* programme, at the International Renaissance Foundation in Ukraine, noted that around 80% of projects that envisaged international co-operation were either bilateral projects with Poland or projects that included the involvement of Polish experts or participants. “There is no need to establish a separate call for proposals for Ukrainian-Polish projects,” she added.

In 2008, the East-East programme, in co-operation with the Open Society Foundation in the Czech Republic, issued a call for proposals for a competition, “Exchange of experience between the Czech Republic and Ukraine on European integration issues and implementation of reforms”. The competition was open to NGOs, think-tanks,

education institutions, and media from Ukraine and the Czech Republic.

“We received 31 concept proposals,” said the East-East programme manager. “The Visegrad experience is great - 31 concept proposals - and we had never expected that 70% of the applications submitted would come from the regions of Ukraine, and with equal representation of the south, north, east and west of Ukraine. Interest in the Czech experience is growing. Furthermore, the fields of interest are not only public awareness on EU integration, but energy-saving, corporate social responsibility, public health, public policy analysis, citizens’ involvement, and government-society dialogue.”

If the project is successful, East-East will expand it to the Slovak Republic in the format of Slovak-Czech-Ukrainian trilateral projects managed by the OSI network across the three countries.

Lviv, and Odessa.⁵² The opening of the Czech consulate in Donetsk in 2007 has not only increased the attention of Czech foreign policymakers on the democratisation activities of Czech NGOs in the eastern regions, but is also facilitating the solution of logistics problems in project implementation, such as visas for Ukrainians taking part in study tours to the Czech Republic.

V4 NGOs' democracy assistance to Ukraine⁵³

Recent transformation experience: The advantage of co-operation with V4 partners lies in their recent democratic transformation experience. This experience can be transferred to Ukraine while the institutional memory of the organisations that have themselves undergone the transition is still alive. As one Ukrainian expert put it, "we are travelling the road they have already tread in building up civil society, in making reforms, in debating about European and Euro-Atlantic integration." Moreover, V4 counterparts from government and local government bodies, NGOs and media demonstrate a willingness to share their experience with their neighbours to the East. Ukrainian partners often observe that Poles, for example, have been very frank and able to set up a trust-based dialogue with their Ukrainian counterparts in areas that can be very tricky for post-Soviet societies, such as combatting corruption or engaging NGOs in the policymaking process.

Long-term partnership: Ukrainian NGOs have a long history of co-operation with their counterparts from the V4 countries. The Visegrad countries' NGOs have become important players for the development of the Ukrainian civil society, and they continue to expand their partner networks into different regions of Ukraine: the Stefan Batory Foundation in Poland or People in Need (PIN)⁵⁴ in the Czech Republic are good examples.

At the same time, V4 NGOs have been among the strongest advocates of Ukraine's European perspective within the EU. The number of advocacy activities in support of Ukraine's accession, organised in Brussels and other EU member states' capitals by V4 NGOs and private foundations (the Warsaw-based Stefan Batory Foundation, the Warsaw-based Institute of Public Affairs, the Prague-based EUROPEUM Institute for European Policy, and the Bratislava-based Slovak Foreign Policy Association), greatly outnumbers the activities of Ukrainian NGOs in this area. NGO experts from V4 countries understood the peculiarities of Ukraine's transition process, and they were able to identify pertinent objectives for co-operation. At the very beginning, V4 NGOs were the initiators of joint projects, seeking funds and finding Ukrainian counterparts. The situation had changed by the end of the 1990s, when Ukrainian NGOs had matured.

Flexible and responsive project management: V4 NGOs' representatives have proved to be experienced, highly professional project managers. V4 partners are usually flexible, the communications regarding project management issues are smooth, and V4 NGOs try to accommodate the needs and concerns of the Ukrainian side when necessary (both in terms of project design and technical issues). In many cases, the financing from

V4 governments and other donors is received by the V4 NGOs and further dispersed to their Ukrainian partners. However, no problems have been registered concerning receipt of funds on the Ukrainian side or reimbursement in the framework of joint initiatives.

POLISH LESSONS IN FIGHTING CORRUPTION AT THE LOCAL LEVEL

The Association of NGOs "Foundation of local initiatives of Donetsk region", and one of its leading member organisations, the Donetsk regional branch of the Committee of Voters of Ukraine, started co-operating with their Polish partners on one project in 2006 and, courtesy of the continuing support of the Polish government, this has developed into a strategic, long-term partnership.

The first project between the Donetsk "Committee of Voters of Ukraine" and the Polish Foundation of Christian Culture "ZNAK" was aimed at transferring Polish NGOs' experience in combatting corruption (particularly, the "Transparent Poland" Action), and was implemented in 2006 through financing from the Polish MFA. Representatives of NGOs, local government and media from two eastern regions of Ukraine - Donetsk and Luhansk - had the opportunity to visit Poland and learn Polish methods of combatting corruption at the local level.

This first project gave birth to another one on transferring the Polish experience of involving local government and NGO communities in European integration and improving local governance standards. The project was supported by the Polish MFA and the Polish Embassy in Kyiv. The project results were:

- the Card of Services and Ethics Code for local governance elaborated together by Ukrainian NGOs and local government representatives, and

- adaptation to the Ukrainian context of Polish NGOs' six principles for combatting corruption.

Moreover, together with local government experts, the Ukrainian NGOs presented a common document on the set of actions necessary for the introduction of good governance principles in local government activities in the Donetsk region.

Despite the short time-span of the study visits to Poland by the Ukrainian NGOs and local government activists, an opportunity to see with their own eyes the Polish NGOs' anti-corruption methods in action provided insights on how to translate the experience to Ukraine.

"The more we work together, the more avenues open up," said an NGO project co-ordinator from Donetsk. "Due to these projects, we have developed a strategic partnership with our Polish counterpart. We have elaborated a major programme with six projects and are determined to implement this - project by project."

"We also observe growing interest in our activities: we have received calls from local government in the region, asking us to include them in our training activities; we have been addressed by NGOs from other regions seeking assistance in finding Polish partners or elaborating similar projects. Now we are planning a big project on the introduction of changes to local government bodies in Ukraine with the participation of NGOs and community groups, and we are also looking for other donors."

CZECH COURSES IN INVESTIGATIVE JOURNALISM

Donetsk Press Club and Czech People in Need (PIN) organised a common project, "Democratisation of media in Eastern Europe: methodology of journalist investigations, Internet journalism" in 2007. The project was financed by the OSI East-East programme and the Czech MFA.

Training courses and seminars were organised in Donetsk for young journalists and students of journalism with the participation of Czech journalists and lecturers. Well-known Ukrainian investigative journalists also shared their experience.

The best project proposals submitted by Ukrainian participants were selected, and the authors were given the opportunity to go to the Czech Republic for the training course and meetings with Czech journalists and NGO representatives. Ukrainian participants had to finalise their work and then the common Ukrainian-Czech commission reviewed

their work and provided suggestions and comments. "It was multilateral work that included young participants, Ukrainian and Czech experienced journalists, and professors of journalism. We learned a lot from the experience," said a project manager from the Ukrainian side. "We could share views and learn from each other, we received useful materials for teaching courses and, as an NGO, we have learned how to organise work on the move."

As a result of this project, the majority of Ukrainian participants changed their journalistic direction. They have become specialised in investigative journalism, and Donetsk Press Club managed to make its work more sustainable. "After co-operation with such an effective organisation as People in Need we have grown in self-confidence. We applied for a US Embassy grant to implement a project on journalism ethics, and for an International Renaissance Foundation grant to organise talk-shows on European integration. We are considering recruiting someone for our organisation to deal with international co-operation on a systematic basis."

POLISH AND UKRAINIAN CO-FINANCING FOR COMMUNITY DEVELOPMENT IN DONETSK

Another successful experience of the Donetsk Committee of Voters of Ukraine was the implementation of a common project with the Stefan Batory Foundation from Poland: the Donetsk NGO administered a micro-grants scheme for community development projects.

Ten projects of local NGOs and citizens' initiatives were financially supported (e.g.

creation of a playground, reconstruction of a memorial). The grants were co-financed on a 50:50 basis by the Stefan Batory Foundation and the city mayor.

Even though only € 5,800 in funding was available in the first year of the programme, the visible results made it possible to attract the city authorities to support community development and the building of civil society.

In 2008, the Donetsk city council decided to fully finance the programme with € 7,300 from the city budget.

Strengths and Weaknesses of V4 Countries' Democracy Assistance Programmes

Strengths

At the government level:

Peer pressure and crisis mediation: The V4 governments (especially the Polish) have been the biggest critics of Ukraine's transformation processes, but their critique was greeted much more patiently in Kyiv than, for instance, critical voices from Brussels or other EU-15 capitals. It was President Kwaśniewski who maintained a special working relationship with Ukraine's President Kuchma during the latter's second term in power⁵⁵ and, at the same time, Kwaśniewski was the biggest advocate for Ukraine's European

aspirations. Again, it was Kwaśniewski who convinced EU leaders, including the EU High Representative for Common Foreign and Security Policy, Javier Solana, to come to Kyiv to mediate the political crisis during the 2004 Orange revolution.

Advocacy for Ukraine's EU and NATO membership and assistance on practical level: The V4 countries have been the strongest advocates for Ukraine's EU membership perspective. It was Poland that launched a campaign to attract the EU's attention to Ukraine as a potential candidate for membership. Later on, it was the Polish MFA, in co-operation with Polish NGOs, that proposed an Eastern dimension to the European Neighbourhood Policy. The V4 governments also invested in the promotion of people-to-people contacts with Ukraine by granting visa-free access for Ukrainian citizens (up until 21 December 2007).

Other V4 member states have been quite modest in their political support to Ukraine's European aspirations. This should not be considered their fault alone, as Ukraine very often failed to work either with its neighbours or with EU-15 member states in building partnerships in support of the country's European aspirations. However, these three countries found their niche in helping Ukraine in concrete and practical terms (e.g. support of the Slovak and Czech governments for the implementation of the EU-Ukraine Action Plan⁵⁶).

Co-operation with long-term goals in mind: The V4 governments are helpful in assisting Ukraine with the adoption of EU norms and standards. Two issues are important in this context: co-operation between the Ukrainian government and its V4 counterparts in the framework of twinning projects, and the sharing of the experience of V4 governments'

officials in working with the European Commission and various EC agencies and programmes.⁵⁷ Such co-operation may help transfer best practices (and mitigate possible negative consequences) during integration with the EU, as well as strengthen the capacity of the Ukrainian government for better governance.

Support to small and less known NGOs: in contrast to big donors, such as USAID or the EU, V4 governments were not afraid to fund projects that allowed small Ukrainian NGOs (and sometimes unknown beginners) to partake, develop expertise, and gain experience. Moreover, these projects aimed at solving less highly visible aspects of democracy assistance (especially at the local level) were usually neglected in big USAID/EU projects.

At non-governmental level:

Equal partnership and mutual ownership: In all cases, the co-operation with V4 countries was conducted on the basis of an equal relationship. The leading role was usually assumed by whichever partner was eligible to apply for funds (in the case of V4 MFA funding, the V4 NGOs took the lead, whereas in projects with US or other funding, Ukrainian NGOs often led). Even with V4 leadership in a project, Ukrainian NGOs felt ownership as they were able to help shape the project (e.g. objectives, activities, target audience), and to express their opinions in the course of project implementation.

The variety of co-operation areas: Whereas the co-operation with NGOs from old member states has an *ad hoc* nature and the scope of projects is limited, the co-operation with V4 NGOs started from small projects and rolled over to bigger initiatives. Moreover, the projects initiated by, or implemented in co-operation with, V4 NGOs covered various aspects of democratisation - from strengthening institutions of democratic governance, to fostering public participation, to supporting pluralism in the shape of multiparty politics, to supporting freedom of expression and strengthening the role and capacities of the media, to promoting and protecting human rights, and to helping strengthen the rule of law.

The variety of activities in joint projects:

- building the capacity of local and central government for good governance (e.g. Polish-Ukrainian and Slovak-Ukrainian co-operation initiatives);
- providing alternative view on EU/V4/Ukrainian governments' policies (e.g. Polish-Ukrainian cooperation initiatives);
- raising public awareness of democratic values and norms (e.g. Slovak-Ukrainian co-operation initiatives);
- enhancing the capacity of journalists from local newspapers (e.g. Czech-Ukrainian co-operation initiatives);
- organising study visits of Ukrainian youth and linking the youth with their counterparts in V4 countries (e.g. Polish-Ukrainian co-operation initiatives);

- helping certain sectors of the population (e.g. Hungarian-Ukrainian co-operation initiative);
- protecting human rights (e.g. Czech-Ukrainian co-operation initiative).

Projects reflecting Ukraine's needs: In addition to their understanding of Ukraine's transition process, V4 partners have usually consulted their Ukrainian counterparts in the course of project design (e.g. priorities, types of activities and target audience). In some cases, V4 experts visited the country and consulted their counterparts before project submission (e.g. the case of the Polish-Ukrainian project, "More than Neighbours"), and/or Ukrainian counterparts were asked to submit their recommendations at the beginning of the next project stage in the case of long-term projects (e.g. the case of the Polish-Ukrainian project for youth). These factors allowed the joint projects to better reflect Ukraine's needs.

Investment in human capital: One of the most positive developments has been the assistance in the form of scholarships. Almost all V4 governments, as well as the IVF, provide scholarships for Ukrainian students and scholars, and these scholarships annually outnumber the rather modest number of scholarships provided by the US, the EU and its other member states in total.

Assistance in solving technical problems on the Ukrainian side: A number of problems that occurred on the Ukrainian side in the course of joint projects' implementation (e.g. caused by the flawed Ukrainian legislation in the field of NGO law, the weak capacity of Ukrainian target audiences to receive aid,⁵⁸ or their unwillingness to partake in the project⁵⁹) were solved with the help of V4 partners.

Weaknesses

At the government level:

Limited funds, largely absorbed by V4 NGOs: The V4 governments' project grants are mostly absorbed by V4 NGOs, and relatively little funds reach the Ukrainian NGOs directly. This is often a result of restrictive regulations for grant competitions in the V4 states. "The Czech budget eats away more money than ours, even though we do 70% of the work on the project," complained a representative of one Ukrainian NGO.

Cumbersome procedures for small-grant schemes: Ukrainian NGOs welcome the initiative of small-grant schemes administered by some V4 embassies. However, for instance in the case of the Polish Embassy, the application procedures remain cumbersome, leading to short project duration, and making the implementation less effective and the impact less visible.⁶⁰

Lack of co-ordination of aid priorities and funds: There is little co-ordination between the IVF and V4 governments' aid priorities and funds. Each V4 government provides support to a number of policy areas; however, projects sometimes overlap, whereas some areas remain untouched. In addition, V4 governments rather support small one-year limited projects instead of long-lasting partnerships between Ukrainian and V4 NGOs. Multilateral projects with the involvement of more than one V4 partner are an exception rather than the rule.

"V4 countries have transformation experience in those domains that are crucial for Ukraine, such as strengthening civil society, decentralisation, and empowering local government and public sector reform, and they transfer this knowledge. However, they do it separately, each country on its own. There is no co-ordination of actions and funds between them. This means the resulting impact suffers", said one Ukrainian expert.

Difficulties in securing funds for spin-off projects: Some joint initiatives were capable of surviving even after the end of the flow of funds from V4 governments. However, a number of NGOs (especially small grass-roots organisations) found it difficult to secure funds for joint initiatives' spin-offs. That was often the case for early projects, but in recent years Ukrainian NGOs have learnt how to attract funds from bigger donors.

At the non-governmental level:

Mostly bilateral co-operation: Given their established long-term partnerships, V4 NGOs very rarely seek new partners in Ukraine. While this has helped ensure the continuity of joint initiatives, it has also limited the scope for other Ukrainian NGOs to benefit from the V4 experience. Moreover, Ukrainian NGOs usually have a partner in no more than one Visegrad country, and have very rarely engaged in multi-country initiatives.

Target audience - imbalance in favour of experts and opinion/policymakers: Most V4 projects were implemented by think-tanks, and targeted experts and opinion/policy-makers. The number of think-tank conferences reached triple digits; whereas there were fewer initiatives at the grass-roots level and focused on indigent groups (e.g. minorities, poor, those whose human rights or other rights were violated).

The co-operation between the Ukrainian NGOs and their counterparts in the V4 countries is by and large a success story. Indeed, aside from the political support of V4 governments, the NGO communities of these countries had a genuine interest in Ukraine's democratisation process, which they supported with a vast number of joint projects. The co-operation between Ukrainian and V4 NGOs will continue, and will result in a better understanding of each other's needs and capacities. In addition, there is a possibility that this co-operation could be extended to assistance projects for democratisation in other countries-in-need (e.g. Belarus) - and Ukrainian NGOs will become active promoters of democratic values and norms.

Interviewees

Ivan Gerevych, Director of the Civil Information and Counselling Office/ADVANCE Transcarpathian Advocacy and Development Centre, Beregovo
Ihor Koliushko, Director of the Centre for Political and Legal Reforms, Kyiv
Tetyana Kuharenko, Director of the East-East Programme, International Renaissance Foundation, Kyiv
Sviatoslav Pavliuk, Deputy Director of the Polish-Ukrainian Cooperation Foundation PAUCI, Kyiv
Oleksandr Sushko, Deputy Director of the Centre for Peace, Conversion and Foreign Policy, Kyiv
Iryna Scherbyna, USAID project, "Municipal Budget Reform in Ukraine"
Nelya Lavrynenko, Ukrainian Youth Association, Kyiv
Natalia Tereschenko, Media Centre Alliance, Luhansk
Evhenii Zakharov, Kharkiv Human Rights Protection Group
Lajos Szabó and Zsolt Lenard, Embassy of Hungary in Ukraine
Balázs Jarábik, Country Director, Pact Ukraine
Olena Dolia, Project Manager, Donetsk regional organisation of Committee of Voters of Ukraine, Foundation for Local Initiatives of Donetsk Region
Andriy Melnyk, President, and Kostiantyn Bryzhakha, Vice-President and Programme Director, Association for Promotion of International Business and Development, Kremenchuk
Iryna Chernychenko, Donetsk Press Club
Sergiy Danilov, Centre for Middle East Studies, Kyiv
Andriy Nechyporuk, "Tovarystvo Leva", Lviv

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Endnotes

1 See Michael Emerson, "Policies towards Ukraine, 2005-20: Status Quo Unintended", in *The European Union as a Normative Foreign Policy Actor*, CEPS Working Document No. 281/January 2008, p. 26, Iryna Solonenko, "The EU's impact on democratic transformation in Ukraine", in Stephen Velychenko

(ed.), *Ukraine, the EU and Russia: History, Culture and International Relations*, Studies and Central and Eastern Europe Series, 2007, p. 140.

2 Natalia Shapovalova, *The new enhanced agreement between the European Union and Ukraine: Will it further democratic consolidation?*, Madrid: FRIDE Working Paper No 62, 2008.

3 Balázs Jarábik and Iryna Solonenko, *Is the EU serious about democracy and human rights? The case of Ukraine*, FRIDE/ECFR, forthcoming.

4 Maxim Latsyba, *Development of Civil Society in Ukraine*, Ukrainian Independent Centre for Political Studies, Kyiv, November 2007.

5 Negotiations were launched in March 2007

6 <http://www.oecd.org/dataoecd/12/33/1883309.gif>

7 Consolidated data is not available on the amount of ODA allocated per donor to democracy assistance in Ukraine, but the author estimated the volumes of democratic assistance made by donor governments based on their own reports. For instance, a rough estimate of the European Commission's spending on democracy assistance is € 28m (30% of ODA), or in the case of Canada € 5.24m (or 39% of ODA). The respective rough estimates for Sweden and UK are € 2.65m (24% of ODA) and € 2.28m (30% of ODA) respectively.

8 From an analysis of the V4 MFAs' reports, the author estimated volumes spent on democratisation projects by every V4 country. Comparing these with figures calculated by the OECD for overall ODA to Ukraine, a rough estimate indicates that both Poland and Slovakia allocated around 90% of the total ODA to Ukraine to democracy assistance. In the case of Poland, however, much of that figure (€ 4.7m) is from non-ODA MFA resources, so the actual percentage of ODA to Ukraine spent on democracy assistance is lower. A rough estimate for Hungary pointed to a figure of 20% of ODA to Ukraine being devoted to democracy assistance. Figures were not available for the Czech Republic.

9 Kristi Raik (2006), *Promoting Democracy through Civil Society: How to Step up the EU's Policy towards the Eastern Neighbourhood*. CEPS Working Document No. 237, February 2006

10 USAID's budget was € 7.266m, out of which € 853m was allocated to the promotion of democracy and local governance - data taken from K. Raik (2006), *Promoting Democracy through Civil Society: How to Step up the EU's Policy towards the Eastern Neighbourhood*. CEPS Working Document, No. 237, February

11 USAID fact sheet

12 <http://www.usaid.gov/policy/budget/cbj2005/ee/pdf/121-0224.pdf>

13 For more information about NED, see its website: <http://www.ned.org/>

14 One of the instruments - TACIS - was substituted by ENPI in 2007

15 According to the National Indicative Programme for Ukraine 2004-2006.

16 Jarábik/Solonenko paper, forthcoming

17 http://ec.europa.eu/europeaid/where/worldwide/eidhr/documents/eidhr_annual_work_programme_2006_annex_ii_en.pdf

18 Source: the Delegation of the European Commission to Ukraine: <http://www.delukr.ec.europa.eu/page4363.html>

19 The minimum amount of grant being € 50 000, whereas an average Ukrainian NGO's annual budget is € 18,000 - € 25,000, which means that the capacity to deal with large-scale grants is limited.

20 Jarábik/Solonenko paper, forthcoming

21 This area covers four sub-priorities: 1) public administration reform and public finance management, 2) rule of law and judiciary reform, 3) human rights, civil society development and local government, 4) education, science and people-to-people contacts/exchanges.

22 Ibid

23 The following projects implemented in Ukraine by DFID in 2004-2007 can be classified as democracy

assistance projects: "Democratising Ukraine: Small Project Scheme" (2003-2008 with a budget of GBP 1.5m), "GOF/DFID European Integration Co-ordination Project" (2006-2008 with a DFID budget of GBP 400,000), "Private Sector Development Project" (2003-2007, GBP 1.2m), "Facilitating Reform of Social Services (residential, non-residential and community-based) in Ukraine" (2004-2007, GBP 3.185m), "Support to Network of Community Resource Centres for MSM in Donetsk and Lugansk" (2006-2007, GBP 40,000). See Department for International Development Ukraine, <http://www.britishembassy.gov.uk/Files/kfile/dfid2007.doc>

24 During the meeting of the European Council in Lisbon (March 2000), the Heads of State or Government launched a "Lisbon Strategy" aimed at making the European Union (EU) the most competitive economy in the world and achieving full employment by 2010.

25 Global Opportunities Fund, Reuniting Europe Programme, <http://www.britishembassy.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1070989565087>

26 Source: http://www.sida.org/sida/jsp/sida.jsp?d=563&a=32759&language=en_US

27 Human rights and democratic governance was the second largest budget item after 'natural resources and the environment' in the 2005 budget, and the first in the 2006 and 2007 budgets of SIDA. Data is taken from SIDA Annual Report 2005 http://www.sida.org/sida/jsp/sida.jsp?d=118&a=21077&language=en_US and Fact sheet for co-operation with Ukraine 2006 http://www.sida.org/sida/jsp/sida.jsp?d=563&a=32759&language=en_US and 2007 http://www.sida.org/sida/jsp/sida.jsp?d=563&a=3755&language=en_US

28 Around € 6m between 1994 and 2000, and € 10m since 2001. The data is taken from the report *Ten years of Social Transformation in Ukraine*, Kyiv, 2005

http://www.netherlands-embassy.com.ua/media/documents/materialst_eng.pdf

29 The financial support was provided by the US government whereas Polish experts came to Ukraine to share their expertise and experience.

30 In 2005, PAUCI was transformed into the Polish-Ukrainian Cooperation Foundation with the aim of building the capacity of Ukraine to integrate more closely with the EU and NATO through further application of Polish and European experience. For more information, see <http://pauci.org/en>

31 International Visegrad Fund. Press release, Bratislava/Kyiv, 14 June 2007

32 Based on *IVF Annual Report 2005* <http://www.visegradfund.org/press/AR2005.pdf>

33 *IVF Annual Report 2007*, http://www.visegradfund.org/press/annual_report2007.pdf

34 The project goals were the formation of partnerships between Ukrainian and V4 cities, launching dialogue between different segments of city communities of partner cities, studying of V4 countries' experience of administrative and market reforms, and municipal management, for its introduction in Ukrainian cities.

35 "Development of cities on the Euro-integration route: experience of the Visegrad Group countries for Ukraine", "Cross-border Co-operation as the Platform for Development of the Border Regions" and "Ethnic Village - Crimean World".

36 <http://www.polskapomoc.gov.pl/Ukraine,186.html>

37 E. Kępińska, *Recent Trends in International Migration: The 2007 Sopemi Report for Poland*, Warsaw 2007, Table 27, p. 78, available at: http://www.migracje.uw.edu.pl/obm/pix/029_87.pdf

38 "Presentation of the Prime Minister of the Slovak Republic Mikuláš Dzurinda", in Peter Brezání (ed.), *Yearbook of Foreign Policy of the Slovak Republic 2003*. (Bratislava: Research Center of the Slovak Foreign Policy Association, 2004), 11-17.

39 In 2004 and 2005, SKK 20m were deployed to finance official assistance to Ukraine and Belarus. In 2006, projects for Ukraine and Belarus were financed to the total of SKK 10m. In 2007, three projects were supported in Ukraine (amounting to 27% of a total SKK 44m designed for priority project countries - including Ukraine, Kenya, Bosnia and Herzegovina, Belarus, Kazakhstan, and Afghanistan).

40 *National Programme of the Official Development Assistance*, Slovak Republic, 2008.

41 *Report on Hungarian International Development Co-operation Activities in 2007*

42 Calculations made upon materials provided by the Hungarian MFA DIDC.

43 Interview with a Hungarian diplomat.

44 *Report on Hungarian International Development Co-operation Activities in 2007*

45 Jarábik/Solonenko, forthcoming

46 Special attention was paid to the border regions with a large Hungarian minority. A good example is the Office of Civil Information and Counselling that was opened in Beregovo (Zakarpatsya oblast) with the support of Hungary's Interchurch Aid.

47 Ministry of Foreign Affairs of the Czech Republic, Transition Promotion programme concept, www.mzv.cz/servis/soubor.asp?id=12443

48 The Human Rights department and Transition Promotion unit in the Czech MFA were merged into one department in 2007.

49 Three projects in 2006: a project "When the old regime ends and a new one begins, what to avoid and what to support?", implemented by the Brno-based Democracy and Culture Studies Centre, was financially supported by a grant from the MFA Transition Promotion unit (€ 57,431) and the city of Brno, with the total amounting to € 71,173; "Transferring the Czech experience in the transformation of a functioning security system to Ukraine and Moldova", implemented by Prague Security Studies Institute (PSSI) in 2006, received € 18,099 from the Transition Promotion unit, and was also supported by the East-East: Partnership Beyond Borders programme of the Open Society Institute (OSI). In addition, the University of Hradec Králové received support for a project aimed at teaching a group of students from Iraq, Belarus and Ukraine in 2006.

Three projects in 2007: "Transfer of European integration-related know-how of Czech NGOs to Ukrainian partners, implemented by the Prague-based EUROPEUM Institute for European Policy in 2007, was supported by € 18,141 from the Transition Promotion unit, and co-financed by the OSI East-East programme; other projects funded included "Southern and eastern Ukraine - democratisation of governance, participation of citizens and the media in decision-making processes" by People in Need, and "European alternative to eastern Ukraine" by the Association for International Affairs (AMO).

Four projects in 2008: "Strengthening of democratic mechanisms in eastern and southern Ukraine" by People in Need; "Transfer of experience with the process of European integration - Czech NGOs, Ukrainian partners - II" by EUROPEUM Institute for European Policy, "Alternative school for eastern Ukraine" by Association for International Affairs (AMO), and "Strengthening democracy and civil society structures in Ukraine" by the Center for the Study of Democracy and Culture.

50 Several projects were implemented by one of the biggest Czech NGOs, People in Need. These worked on strengthening the capacity of local government (through training and joint meetings), and on building the capacity of local media (e.g. the project implemented in co-operation with Luhansk media NGO - workshops and study visits for Ukrainian journalists in the Czech Republic).

51 No evidence was found about the procedures and rules of small embassy grants from Slovak and Czech embassies as projects supported by them did not cover democracy assistance issues.

52 In contrast, outside Kyiv the Czech Republic has two general consulates (Lviv and Donetsk), while the Slovak Republic and Hungary each have only one general consulate (both in Uzhgorod).

53 This part of the report is prepared based on interviews with the representatives of Ukrainian NGOs. The list of interviewees appears at the end of the chapter.

54 PIN has developed a network of partners in Luhansk, Donetsk, Crimea.

55 President Kwaśniewski managed to persuade Kuchma to refrain from a number of anti-democratic steps (e.g. severe breach of human rights, or suppression of the press)

56 A number of meetings with the participation of Ukrainian NGOs and government officials were held in the Slovak and Czech embassies in order to identify priority areas in the EU-Ukraine Action Plan, and to

find a niche for Slovak and Czech support. That was made possible due to the active involvement of the Slovak and Czech Ambassadors to Ukraine.

57 The EC agencies and programmes have recently been opened up to Ukraine within the framework of the ENP. However, the EC representatives responsible for these agencies/programmes, as well as the representatives of the agencies and programmes, are reluctant to provide detailed information on costs of participation and possible gains. Only a few are open for discussions with Ukraine.

58 Spilka Ukrainskoi Molodi provided small grants to local youth organisations in nine oblasts, and these local organisations did not have experience in receiving grants in US dollars, so they needed assistance to manage this, and it caused delays.

59 ADVANCE's project had a problem involving the Roma community into the project until the issue was solved with the help of the Hungarian side

60 The call for proposals is announced in spring (e.g. March), the applications are assessed until summer (e.g. June/July), the decision is usually made in autumn (e.g. September), and contracts are usually signed at the beginning of November. However, there is a strict rule in the case of the Polish Embassy assistance that all funds in any given year should be spent by 17 December the same year. This means that Ukrainian NGOs have to complete their projects (that are usually planned for up to six-to-seven months) in no more than five-to-six weeks.

PASOS, the Policy Association for an Open Society, promotes and protects open society values, including democracy, the rule of law, good governance, respect for and protection of human rights, and economic and social development, by supporting entities that individually and jointly foster public participation in public policy issues at the European Union level, in other European structures, and in the wider neighbourhood of Europe and Central Asia.

A network of independent policy centres in Central and Eastern Europe and Central Asia