

AID WATCH

2021



EXECUTIVE SUMMARY

The year 2020 began optimistically with the plan to enhance development cooperation of the Slovak republic. However, unexpectedly, the outbreak of the COVID 19 virus and consequent political decision making had an adverse effect.

The Team Europe Initiative has been vital to alleviate the health crisis associated with the pandemic and in partnership with other countries mobilized 66.8 billion Euro in order to fund development cooperation. However, the Slovak republic did not donate New Money to financially support the fight against COVID 19, rather 4 billion Euro from the Slovak budget were transferred. Overall Slovakia contributed a total of 124.5 million euros. This financial contribution consisted of mobilizing funds from the Slovak Gross National Income (GNI) from 0.11% to 0.14% which historically was the greatest financial contribution mobilised for official development assistance.

Two factors influenced such an increase. The first is the decline in the GNI due to the covid-19 pandemic. The second factor could be called political or even alibi, when at the time of the pandemic, Slovakia chose the path of the so-called inflated aid and a significant debt forgiveness to Serbia and Somalia of 16.6 mil. euro (50% of bilateral development cooperation) has been included in the bilateral development cooperation.

After deducting other items that statistically inflate development cooperation without an impact on improving the situation in partner countries, in 2020 Slovakia provided 105.6 mil. euro for genuine development cooperation and its share in GNI reached 0.12%.

The ratio of bilateral to multilateral development cooperation continues to decline (after deducting debt forgiveness to Serbia) at 16% to 84%, which in practice has the long-term effect, (i) limiting resources for civil society capacity building in Slovakia and SlovakAid partner countries; (new jobs, increasing expertise, including state administration, NGOs and companies, as well as development diplomacy) (ii) reducing the competitiveness of Slovak entities to apply for funding from the EU and other international organizations with weak support from the Slovak Republic (iii) reducing the possibility to measure the effectiveness of the largest possible part of development cooperation through monitoring and evaluation (iv) reduced visibility of the brand "SlovakAid" in the field, which is lost in the mammoth financial amounts of large rich donor countries with small financial contributions of the Slovak Republic to international organizations.

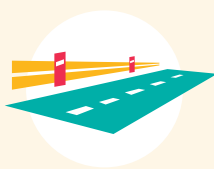


Value of the genuine bilateral aid



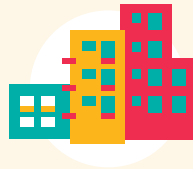
**16 mil.
EUR**

=



1 km
highway
Pstruša – Kriváň

=



80 apartments
at the average market
price in Bratislava

=



1 %
of the wealth
of the richest Slovak

The real value of genuine bilateral cooperation totalling 16 million euros using several analogies can be compared to the cost of constructing one kilometre of the highway Pstruša – Kriváň, or you can purchase 80 apartments at the average market price in Bratislava or it equals 1% of the wealth of the richest Slovak.

Of the total value only 10.5 million euros were allocated to 36 program and partner countries (on average less than 300 thousand euros per country), which means a continuation of geographical fragmentation and low efficiency. A substantial part (6.2 million euros) is classified as the so-called regional and unspecified bilateral development cooperation. Only € 2.7 million was provided to program countries (Kenya, Georgia, Moldova), where development diplomats work, representing 17% of bilateral development cooperation. For comparison, the administrative costs for development diplomats amounted to € 234,129, so the Ambrella platform recommends providing at least 30% of bilateral development cooperation to program countries, thus reducing its fragmentation and increasing the sustainability of projects.

A total of 5 ministries were responsible for the implementation of bilateral development cooperation in 2020, and two more ministries are to be added in the coming years. The national coordinator of Slovak development assistance is the Ministry of Foreign Affairs of the Slovak Republic, which in 2007 established the budget organization Slovak Agency for International Development Cooperation (SAMRS) performing the role of an implementing agency. This is also reflected in their excessively high administrative costs, which Slovakia can count towards according to the rules of the OECD Development Assistance

Committee (OECD/DAC). In contrast, in 2020 the Ministry of Finance of the Slovak Republic invested most of its administrative costs in “Building an information system for recording and reporting development cooperation of the Slovak Republic” in the amount of EUR 257,224.80. By way of comparison, the largest SAMRS grant is € 250,000 and it is questionable whether it would not be more efficient to use these funds for real assistance in program or partner countries. It should also be pointed out that the Ministry of Finance of the Slovak Republic should administer more bilateral development cooperation in the coming years (in 2023 to 9 million euros) rather than the national coordinator and its implementing agency MZVaEZ/SAMRS together (7 million euros).

Regarding SAMRS grants, a total of 16 calls were announced in 2020 with 109 applications submitted and 37 were successful (27 projects submitted by NGOs and 10 entrepreneurs and other entities), which represents a success rate of 34% (excluding voluntary projects). In 2018, out of 59 applications submitted, 30 were successful, which is a success rate of 50% (excluding volunteer projects). The success rate has declined; demand has almost doubled.

Decisions of the Ministry of Foreign Affairs of the Slovak Republic to deviate significantly from the annual strategic plan on 2020 (Zameranie bilaterálnej rozvojovej spolupráce SR na rok 2020) – almost 1 million euros were redirected from grants to financial contributions, cancellation of the grant call the day before the deadline, evaluation process raising doubts for other grant calls – without proper, timely and sufficient justification decreased the predictability and transparency of the grant administration.



RECOMMENDATIONS

Volume and reporting of official development cooperation

- Increase development cooperation by 2022, supported by the creation and approval of a realistic plan to increase the Slovak budget for development cooperation so that by 2030 the Slovak Republic's commitment to provide development cooperation to the amount of 0.33% of GNI will be accomplished.
- Systematically link bilateral and multilateral development cooperation of the Slovak Republic, so that there is a more significant connection of its activities with the activities of the EU institution and other EU member states.
- Refrain from reporting ODA expenditures that do not have a real impact on improving people's lives in partner countries, but distort the true picture of ODA provided. These include the costs of securitization, refugee integration, scholarships and debt relief.

Quality of official development cooperation

- Focus on program countries in terms of volume and reduce the fragmentation of bilateral development cooperation by reducing the number of partner countries.
- Streamline the SlovakAid system, for example by introducing framework contracts, strengthening and streamlining the system of microgrants provided by embassies.
- Introduce a strategic dialogue, based on data and evaluations, focused on results with the main actors of development cooperation in the Slovak Republic so that it is clear what the priorities for a given year are, how to achieve them and continuously track the progress.