

GREECE

1) QUANTITY OF AID

1.1. Current/Recent Quantity Performance:

| | |
|---------------|-------|
| Net ODA US\$m | 693 |
| % of GNI | 0.20% |

Source: OECD/DAC, preliminary 2008 data.

Since 2001, Greek ODA has increased rapidly in absolute amount (up from US\$202m, a nominal rise of 243%) and also risen relative to GNI (from 0.17%).

1.2. Future Quantity Intent

Greece had previously committed to EU targets to increase its ODA to 0.33% of GNI by 2006 and to 0.51% by 2010. However, due to budgetary constraints, it has recently deferred its 0.51% target to 2012. It will reach 0.35% in 2010, which the OECD/DAC estimates will mean disbursements of US\$1.15 billion (DAC, 2009).

2) KEY AGENCIES/MECHANISMS

2.1 Agencies and Structures

Hellenic Aid – YDAS (MFA, 2007)

Hellenic Aid (under the aegis of the Ministry of Foreign Affairs) was established in 1999, and is responsible for the supervision, coordination, monitoring and promotion of emergency humanitarian and food aid actions, as well as aid for the reorganization and restoration of the infrastructures of developing countries conducted by ministries, universities, NGOs or other players. Its main responsibilities are:

- Handling all ODA funds provided by the state budget, as well as all other funds from ministries, organizations, and public and private agencies within the country.
- Monitoring and facilitating development programmes/projects carried out by public agencies, universities, NGOs and other civil society organizations.
- Submitting proposals to the Committee for the Organisation and Coordination of International Economic Relations with regard to the future planning of development policy for priority countries, with the objective of maximising the positive results from the implementation of viable programmes.
- Funding emergency humanitarian aid actions and programmes, restructuring and development programmes/projects, as well as development education and information regarding the promotion of voluntary work in Greece and developing countries.

Since 2002, an inter-Ministerial Committee (EOSDOS), chaired by the Minister of Foreign Affairs (MFA), has been guiding Greece's development assistance strategy. Seventeen entities in twelve ministries distribute Greek ODA (DAC, 2006b, p14).

2.2 Key Policies and Documents

The Greek Contribution to the Process of Achieving the MDGs (MFA, 2004a)

This publication outlines Greek achievements 5 years after the formulation of the Millennium Development Goals. It points out the success of Greek programmes particularly in Albania, Armenia, and Syria, and highlights the international recognition Greece's humanitarian efforts have received. It also outlines the strategy of involving Greek civil society in the overall development effort.

Medium-Term Development Cooperation Programmes

Greece is in the process of developing its third medium-term development cooperation programme (DAC, 2006b, p11).

Annual Report (MFA, 2006)

The report provides a strategic framework for Greek ODA, presents Hellenic Aid's activities, and outlines the MFA's international development priorities.

3) RECIPIENT COUNTRIES AND ALLOCATION CRITERIA

3.1. Recipient Countries

| Top ten countries | % of total ODA gross disbursements | % of bilateral ODA gross disbursements | US\$m |
|------------------------|------------------------------------|--|-------|
| Serbia | 9.9% | 22.0% | 42 |
| Albania | 5.0% | 11.0% | 21 |
| Afghanistan | 3.3% | 7.3% | 14 |
| Lebanon | 1.7% | 3.7% | 7 |
| Bosnia-Herzegovina | 1.4% | 3.1% | 6 |
| Turkey | 0.9% | 2.1% | 4 |
| Palestinian Adm. Areas | 0.9% | 2.1% | 4 |
| Sri Lanka | 0.9% | 2.1% | 4 |
| Egypt | 0.9% | 2.1% | 4 |
| Iraq | 0.7% | 1.6% | 3 |

Source: OECD/DAC, 2005-2006 data.

The top ten recipients listed above received 59.2% of bilateral ODA in 2005-06. Geographically, Greek aid is mainly allocated to European (Balkan) countries, which means only a small fraction goes to LDCs.

Distribution among different groups of recipients (% total ODA):

| | |
|----------------------------|-------|
| Least Developed Countries | 4.9% |
| Other Low Income Countries | 1.7% |
| Sub-Saharan Africa | 2.6% |
| Europe | 20.0% |

Source: OECD/DAC, 2005-2006 data.

3.2. Allocation Criteria

3.2.1. *Pre-selection criteria*

Greece does not have any pre-selection criteria for allocating its aid.

3.2.2. *Allocation criteria:*

Hellenic Aid has 20 priority countries which are concentrated around the Balkans, Black Sea and Baltic Sea regions, but also include several African and Asian countries. As of 2007, the priority countries were Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, DR of Congo, Cote d'Ivoire, Egypt, Ethiopia, Georgia, Jordan, Kazakhstan, FYRO Macedonia, Moldova, Montenegro, Palestine, Serbia, South Africa, Syria, Ukraine and Zimbabwe (Hellenic Aid, 2009). Afghanistan, Lebanon, Iraq and Sudan are also included as priority, however aid is subject to local conditions and special regulations. In recent years, however, emergency humanitarian assistance has also played a large part in Greek ODA, extending it to a wide range of other countries.

Aid is distributed each year through a call-for-proposals process, where interested parties are invited to submit proposals in line with Hellenic Aid's stated priority countries and sectors. As such, there are no pre-defined allocation criteria, as final allocations depend on the variety and quality of proposals submitted.

4) AID POLICIES

4.1. Concessionalality

All Greek aid is given in the form of grants.

4.2. Types of Assistance

Breakdown of different types of ODA (commitments unless otherwise stated):

| | \$USm | % of gross bilateral ODA disbursements |
|---|-------|--|
| Stand-alone technical cooperation (disbursements) | 77.7 | 41.1% |
| General budget support | 3.3 | 1.6% |
| Sectoral projects and programmes (including some technical cooperation) | 148.9 | 78.8% |
| Action related to debt | - | - |
| Developmental food aid | 0.1 | 0.1% |
| Other commodity assistance | - | - |
| Emergency and distress (disbursements) | 19.2 | 10.2% |

Source: OECD/DAC, 2006 data.

Note: The breakdown into different types of assistance shown in the table is taken from different OECD/DAC data sources. As such, the final column does not add to 100%.

Greek aid is focussed largely on projects and TA, with only limited shares going to general or sectoral budget support. The move towards more Programme Based support is hindered by the annual call for proposals mechanism, through which most Greek bilateral aid is committed (DAC, 2006b, p13). However, Greece has experimented with more flexible forms of budget support aid in its Hellenic Plan for the Economic Reconstruction of the Balkans (HIPERB), which covers Albania, Bosnia & Herzegovina, Bulgaria, FRY, FYROM and Romania (MFA, undated).

Out of the 5 Greek country office participating in the 2008 Paris survey, Jordan and Albania report best practice with respectively 95% and 90% of Greek aid considered

well co-ordinated with partner country strategies/frameworks. Paris indicator 9 supports this by indicating that 74% of Greek aid reached Jordan through Programme Based Approaches (PBAs) (86% reached Sudan).

4.3. Channels of Assistance

Greece allocates roughly 55% of its ODA via multilateral organisations, of which 70% goes to the EC, 6% to UN agencies and 18% to the World Bank (Source: OECD/DAC, 2006 data). NGOs remain a key element in Greek ODA. In 2005, 150 projects were co-financed with NGOs in target countries (Eurosources, 2006).

As a member of the EU, Greece signed up to commitments in Paris in 2005 to channel 50% of government-to-government assistance through country systems by 2010. It is difficult to tell if that goal is close to being achieved, but the current call-for-proposals system makes it hard to get Greek aid on-budget, compared to for example Programme Based Approaches.

4.4. Sectors and Projects

| Sector | % of bilateral ODA (commitments) |
|--|----------------------------------|
| Social and Administrative Infrastructure | 59.1% |
| Of which: Education | 12.5% |
| Health | 12.7% |
| Population | 4.2% |
| Water supply and sanitation | 0.5% |
| Government and civil society | 24.7% |
| Economic Infrastructure | 8.6% |
| Of which: Transport and communications | 7.6% |
| Energy | 0.2% |
| Production | 1.5% |
| Of which: Agriculture | 1.2% |
| Industry, mining, construction | 0.1% |
| Trade and tourism | 0.3% |
| Multi-sector | 5.7% |
| Programme Assistance | 1.8% |
| Action relating to debt | - |
| Emergency aid | 10.7% |
| Administrative expenses | 10.2% |
| Unspecified | 2.4% |

Source: OECD/DAC, 2006 data.

A large proportion of Greek aid to education is spent on scholarships for students at Greek universities. Greece also spends substantial amounts on hosting secondary students from developing countries, in particular Albania. This is not counted in Greece's ODA, and is equivalent to approximately 0.07% of GNI. Greece is making a case to DAC to have these outlays accounted as ODA (DAC, 2006b, p12).

As for alignment with partner countries' sectoral priorities, Greece's Harmonization action plan states that: "*The immediate objective of HELLENIC AID is to further align its aid projects/programmes to partner country-owned sectoral strategies and to further align programmes, procedures, and timetables behind the national PRSPs, while reducing the amount of aid provided through stand –alone projects.*" (MFA,

2004b, p7) It is hard however to gauge the progress made so far against this commitment.

MFA (2004b, p5) sets out Greece's sectoral priorities:

- Basic and secondary education infrastructure and vocational training;
- Basic health infrastructure;
- Micro-credit and income generation;
- Water supply and sanitation;
- Environment, energy and agriculture;
- Institution building and support for democratization and human rights;
- Women trafficking;
- Culture.

As borne out in the data above, emergency aid is also central, with substantial commitments to recent disasters such as the Asian tsunami (2004), the Pakistani earthquake (2005) and the Lebanese crisis (2006) – see DAC (2006b, p10).

4.5. Flexibility

There is no information available indicating that Greece has contingency allowances to be used in the case of negative external shocks hitting its partner countries or that it will provide additional fast-disbursing budget or balance of payments support.

4.6. Predictability

Greece uses an annual call-for-proposals approach to allocate aid which means that most commitments remain project-based and short-term in duration. In this process, Hellenic Aid invites ministries, NGOs, universities, and others to submit expressions of interest in line with the year's given priority countries and priority sectors. The call for proposals is published in January with a deadline in April each year, for projects that are a maximum of one year in duration.

However, the Balkan programme (MFA undated), the 2006-2008 programme in Sri Lanka, and two-year programmes in Pakistan and Indonesia show some development towards multi-year programming. Greece's Harmonisation action plan (MFA, 2004b) equally indicates commitment to developing multi-year financing frameworks.

There is no systematic evidence on predictability of disbursements compared to commitments, as Paris Indicator 7 of the 2008 Paris Survey cannot be tracked because virtually no Greek disbursements were on budget in 2007.

4.7. Conditionality

As most Greek aid is project-based, there is no macro-economic conditionality attached. However, with the possible introduction of budget and sector support it is likely to sign up to multi-donor agreements with pooled conditions.

4.8. Policy Dialogue

As most of Greece's multilateral contributions are to the EU, most of its policy recommendations are in line with the EC, as well as in promoting policies which will facilitate the eventual accession to the EU of many of the countries in which it is active. Greece is very active in the policy dialogue in recipient countries in which it

delivers its ODA, especially in the Balkans where it has developed quite substantial bilateral expertise through the aforementioned Balkan programme.

5) AID PROCEDURES

5.1 Conditions Precedent

Greece is committed to reduce the number of PIUs and to move more towards an “*integrated and programmatic approach to country programming and budgeting*” (MFA, 2004b, p7). Paris Indicator 4 indicates that Greek aid does not use any PIUs in Albania. Further details of Greek conditions precedent are still being collected.

5.2 Disbursement Methods

Details of Greek disbursement methods are still being collected.

5.3 Disbursement Procedures

Paris indicator 5a indicates that in Jordan, 47% of Greek aid goes through local public financial management systems. Further details of Greek disbursement procedures are still being collected.

5.4 Procurement Procedures

According to the OECD/DAC, 60.9% of Greek aid was tied in 2006. Even in its multilateral contributions, Greece sometimes ties its donations to Greek goods and technical assistance, by the establishment of special trust funds, such as the Hellenic Republic Consultant Trust Fund (CTF) in the World Bank (see DAC 2006b, p34).

Paris indicator 5b indicates that in Egypt, 80% of Greek aid goes through local procurement systems (38% in Albania and Jordan)

5.5 Coordination

Greece’s strategy prepared for the Paris High-Level Forum indicates that cooperation with the International Organizations, the EU and other donors will be pursued in three ways: co-ordination, coherence and complementarity of policies and actions, in a spirit of responsibility, transparency and efficiency to achieve common long-term objectives (MFA, 2004b, p4). It is hard to gauge progress on this objective, but Greek participation in multi-donor programmes and SWAPs is limited. It has for example no entries on www.aidharmonization.org which gathers information on donor harmonisation practices.

As a member of the EU, Greece committed in 2005 in Paris to reduce the number of uncoordinated missions and analytical reports by 50%. However, the 2008 Paris survey indicates no joint mission (indicator 10a) and no joint country analytic work (indicator 10b) in the surveyed countries.

Key Sources (*All internet sources were accessed in January 2009*)

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