

# Assistance for development must be increased and improved



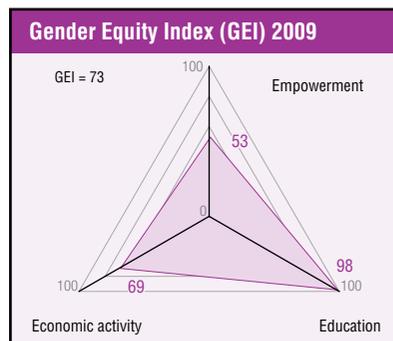
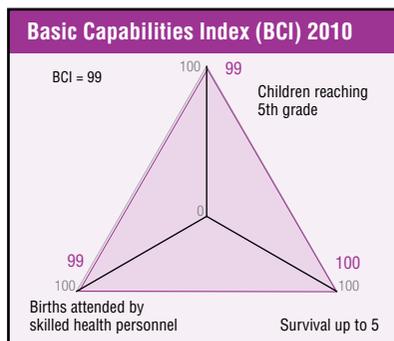
Portugal has pledged to fulfil its international commitments regarding Official Development Assistance (ODA). However, the effects of the worldwide economic crisis make this questionable. As well as increasing the volume of assistance, the transparency of the process must improve, the target sectors must be selected with more human rights criteria and greater medium as well as long-term predictability must be achieved. To this end, civil society should take on a more active and, above all, more constant role in monitoring ODA decisions.

Social Watch Portugal; Oikos  
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The Millennium Declaration, signed in 2000, was followed by a series of international conferences devoted to financing for development and aid effectiveness, which resulted in a variety of pledges to improve the amount and quality of development assistance in order to promote more equitable global development. The outcome of the Financing for Development (FFD) conferences in Monterrey (2002) and Doha (2008), as well as the Paris Declaration (2005) and the Accra Action Agenda (2008) contain significant commitments to this effect.

In the Major Planning Options for 2005-2009 the Portuguese Government declared that one of the objectives of its development cooperation would be to “fulfil international commitments regarding the quantity and quality of ODA, since the current international context (...) requires strongly dynamic and efficient measures on the part of Portugal in particular, in an attempt to give shape to the achievement of the Millennium Development Goals”.<sup>3</sup> Similarly, the new Major Planning Options for 2010-2013 state that one of the Government’s objectives is to “gradually increase Portuguese ODA, in accordance with the objectives and the schedule established within the European ODA framework and to strengthen Portugal’s negotiating position in multilateral discussions, particularly regarding the MDGs, which should be addressed during the whole of 2010.”<sup>4</sup>

However, the effects of the worldwide economic crisis in Portugal have made it increasingly unlikely that the country will be able to fulfil its aid commitments. The quality as well as the amount of its aid should be reviewed since according to civil society allegations, for example, the percentage devoted to the promotion of human rights is very small. Another complaint is that the transparency and medium and long-term predictability of ODA are not sufficient.



## ODA in figures

Despite its commitments, Portugal has made no substantial increase in the volume of aid between the 1990s and the 2005-2008 period (see Figure 1). With the exception of 2008, when ODA represented 0.27% of Gross National Income (GNI), this percentage has fluctuated between 0.21% and 0.23%. Intermediate targets established for 2006 (0.33%) and 2009 (0.30%) have not been reached. In 2009 ODA fell 15.7% and represented barely 0.23% of GNI.

In order to fulfil its promise to increase ODA to 0.7% of GNI by 2015, Portugal drew up a new timetable in 2009 which anticipates gradual increases in assistance and sets an intermediate target of 0.34% of GNI by 2010.<sup>5</sup> However, keeping in mind the worsening economic crisis in Portugal – with cuts and restrictive budgeting policies intended to control the public accounts deficit—it appears to be practically impossible for the country to reach this objective. For the same reason, it is unlikely to reach 0.7% by 2015.

## Allocation and distribution of ODA

Although the greater part of ODA is supplied bilaterally, significant efforts have been made since 2002 to increase multilateral contributions, which represented 43% of the total Portuguese ODA between 2005 and 2008, compared to 27.4% in 1990 and 34% in 2000.

Most multilateral assistance goes to the European Development Fund (EDF) and to the European Commission’s foreign aid budget, which provides funds for developing countries not covered by the

EDF. In the last four years, these two bodies have absorbed close to EUR 405 million in contributions, which represents an annual average of 33% of Portugal’s ODA.

Bilateral ODA is devoted mainly to former Portuguese colonies, the PALOP countries<sup>6</sup> and Timor Leste. Although most of these are in Sub-Saharan Africa (except for Timor Leste) and with the exception of Cape Verde, are categorized as least developed countries, island States (Timor Leste, Cape Verde) or post-conflict States<sup>7</sup>, it is their historical, linguistic and cultural bonds with Portugal that constitute the criteria for selecting them.

The Government sets its foreign policy priorities with an eye to defence and to strengthening the Portuguese language and culture, which is why it continues support to Portuguese-speaking countries. The sectors which Portuguese aid tends to concentrate on are mainly education, support for governance<sup>8</sup> and technical cooperation, with scant emphasis on social services – which barely exceeded 3.1% of the total bilateral ODA between 2007 and 2008.<sup>9</sup>

## The quality of aid

Support provided to productive sectors is almost residual compared to that going to technical cooperation, leading some civil society critics to conclude

1 Director, Oikos.

2 Volunteer, Oikos.

3 Ministry of Finance, *Major Planning Options for 2005-2009*. Available in Portuguese from: <[www.gpeari.min-financas.pt/arquivo-interno-de-ficheiros/gop/GOP2005\\_2009\\_AR.pdf](http://www.gpeari.min-financas.pt/arquivo-interno-de-ficheiros/gop/GOP2005_2009_AR.pdf)>.

4 Ministry of Finance, *Major Planning Options for 2010-2013*. Available in Portuguese from: <[www.min-financas.pt/inf\\_economica/OE2010/GOP\\_2010-2013.pdf](http://www.min-financas.pt/inf_economica/OE2010/GOP_2010-2013.pdf)>.

5 Ministry of Finance, *State Budget Report for 2009*. Available in Portuguese from: <[www.portugal.gov.pt/pt/GC17/Governo/Ministerios/MFAP/Programas\\_e\\_Dossiers/Pages/20081014\\_MEF\\_Doss\\_OE\\_2009.aspx](http://www.portugal.gov.pt/pt/GC17/Governo/Ministerios/MFAP/Programas_e_Dossiers/Pages/20081014_MEF_Doss_OE_2009.aspx)>.

6 African countries in which Portuguese is the Official Language (PALOP, in Portuguese) include five former Portuguese colonies (Angola, Cape Verde, Guinea-Bissau, Mozambique and Santo Tomé and Príncipe).

7 Angola, Timor Leste and Guinea-Bissau have suffered violent conflict within the last ten years.

8 Institutional training programs various public administration sectors and other State entities.

9 Portuguese Institute for Aid to Development. See: <[www.ipad.mne.gov.pt/index.php](http://www.ipad.mne.gov.pt/index.php)>.

that Portuguese ODA lacks effective direction with regard to poverty eradication. A particularly negative aspect is the limited amount of support to agriculture and fishing, both essential to promoting food security in developing countries. To a large extent, it is non-governmental organizations (NGOs) that provide this support, although they do receive a small amount of bilateral ODA (1.9% in 2008).<sup>10</sup>

Another criticism of Portuguese development cooperation – by Portuguese NGOs and by the confederation of European NGOs (CONCORD) – is the weight of lines of credit in bilateral ODA. In 2008, for example, close to 25% of bilateral ODA was linked to the accounting of EUR 66 million in a line of credit to Morocco. A further negative element is the provision of aid tied to the acquisition of goods and services from Portuguese companies. In fact, tied aid rose from 17% in 2006 to 42% in 2008. This increase is closely linked to the accounting of the concession of lines of credit.<sup>11</sup>

One positive element which should be noted since 2005 is the efforts made to improve aid planning and a growing openness to dialogue with the various interested parties, in particular by means of the establishment of the Cooperation for Development Forum and the annual celebration of a national cooperation day, known as “Development Day.” In fact, in addition to a global strategy for Portuguese cooperation,<sup>12</sup> several sectoral strategies are also being prepared – in areas such as health, education, gender equality, governance and rural development – some of which had already been finalized by late 2009 or early 2010. It should also be noted that the National Strategy for Education for Development was approved in November 2009.

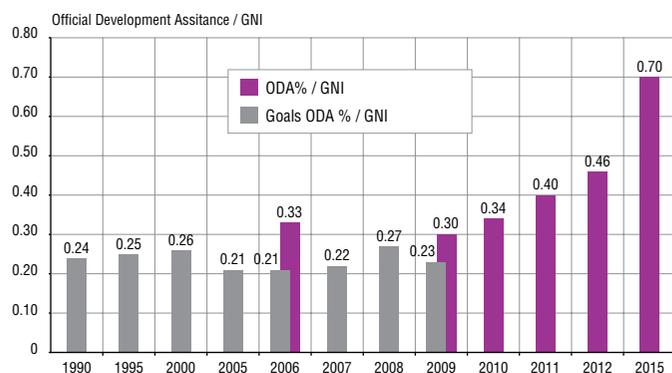
Nonetheless there is still a long way to go in the areas of planning and predictability. Amongst the principal deficiencies of Portuguese cooperation are the total absence of a guiding strategy regarding humanitarian aid, and the limited predictability of aid in the medium and long term. Overcoming these two deficiencies is not only a matter of increasing resources, but also of clearly defining institutional organization. Legally, the coordination of Portuguese cooperation is within the purview of the Ministry of Foreign Affairs and Cooperation, through the Secretariat of State for Cooperation and the Portuguese Institute for Aid to Development. However, in matters related to the predictability of aid, the power of decision lies mainly with the Ministry of Finance, whilst in matters related to humanitarian aid, the Ministry of Domestic Administration, as well as Civil Protection, are acquiring an increasingly prominent role.

10 *Ibid.*

11 *Ibid.*

12 Resolution Nº 196/2005, available from: <[www.ipad.mne.gov.pt/images/stories/Publicacoes/Visao\\_Estrategica\\_editado.pdf](http://www.ipad.mne.gov.pt/images/stories/Publicacoes/Visao_Estrategica_editado.pdf)>.

**CHART 1. Portugal's ODA shown as a percentage of GNI**



Sources: Development Aid Committee and Portuguese Institute for Aid to Development (IPAD, in Portuguese).

**CHART 2. Bilateral and multilateral ODA**

	2005	2006	2007	2008
<b>Multilateral ODA</b>	<b>42%</b>	<b>47%</b>	<b>43%</b>	<b>40%</b>
United Nations	3%	3%	3%	2%
European Commission	34%	31%	30%	26%
IMF, World Bank And WTO	3%	4%	4%	7%
Regional Development Banks	1%	8%	4%	4%
Other Multilateral Institutions	1%	1%	2%	1%
<b>Bilateral ODA</b>	<b>58%</b>	<b>53%</b>	<b>57%</b>	<b>60%</b>
PALOP and Timor Leste	74%	75%	61%	49%
Others	26%	25%	39%	51%

Source: IPAD.

Finally, one of the demands civil society is making with regard to Portuguese ODA is that transparency should be increased. One significant step should be to endorse the International Aid Transparency Initiative. It is essential to shed light on the accounting criteria used for ODA and set a deadline for the presentation of a breakdown of data, mainly regarding such controversial issues as the accounting of the expenses of the Armed Forces during peace missions, the cost and criteria of Civil Protection humanitarian missions, the outlay of Portuguese universities in support of students from Portuguese-speaking countries, the accounting of the granting of lines of credit with conditional aid and the addition of financial support measures for the fight against climate change.

### The role of civil society

In the last five years mobilization campaigns have been carried out and supported in connection with the MDGs and the eradication of world poverty – among them the “Zero Poverty” campaign, coordi-

nated by the NGO Oikos,<sup>13</sup> or the UN’s “Target 2015.” However, according to the Portuguese development NGOs platform,<sup>14</sup> a “regular aid culture” is non-existent in Portugal. This means, for example, that when a natural catastrophe occurs Portuguese citizens react in a strongly emotional and supportive manner, but in the life of development NGOs and other organized civil society movements concerned with the eradication of extreme poverty in the world, citizen participation is sporadic and unclear. ■

13 See: <[www.pobrezero.org](http://www.pobrezero.org)>.

14 See: <[www.plataformaongd.pt](http://www.plataformaongd.pt)>.