

“Strengthening the Effectiveness of Lithuania's Development Cooperation Policy“

Project description

Problem

After becoming a fully-fledged member state of the European Union (EU) in 2004, Lithuania acquired an official mandate to implement a national development cooperation policy. Such policy focuses on providing official development assistance (ODA) to developing countries, which describes financial and humanitarian support to developing countries and territories, funded by the state budget. Such policy aims to promote international peace, economic development, and social stability, and at the same time decrease the disparity between developed and developing countries and integrate developing countries into the global economy.

Development cooperation is a foreign policy tool that allows countries that provide ODA (Donor states) to represent their values and economic interests abroad. Such policy can support democratization and human rights promotion in developing countries while also creating unique opportunities for the donor state to improve its image and trade in developing markets across the globe.

In 2019 Lithuania's ODA accounted for approx. 60,4 million euro, or 0,13 % of the national gross domestic product (GDP). For comparison, in the same year, EU member states on average dedicated 0,47 % of their GDP to developing countries. However, objective no. 9.6 in Lithuania's National Progress Plan for 2021-2030 outlines the national commitment to strengthen Lithuania's development cooperation policy and foresees that by 2030 Lithuania's ODA must account for 0,33 % of the national GDP. This means that Lithuania needs to increase its ODA by more than twofold over the next ten years.

Even though development cooperation is officially considered to be an integral part of Lithuania's foreign policy, in 2019, data provided by the Eurobarometer has shown that only 27 percent of Lithuanian respondents think that helping developing countries tackle their issues should be their government's priority. These results show that the Lithuanian society is not sufficiently aware of why Lithuania should prioritise development cooperation in foreign affairs or how it can create mutual benefits to both Lithuania and its developing country partners.

Despite an established structure for conducting this policy and a deep pool of public and private sector experts with valuable knowledge for developing countries, the tools and opportunities of development cooperation, as a measure of foreign policy and diplomacy, continue to be underutilized. The current goals of Lithuania's development cooperation policy are vague and do not foresee concrete implementation steps. Currently, this policy has only one measurement indicator – the amount of official development assistance provided by Lithuania annually and its share of the gross domestic product. Such situation does not allow to properly evaluate the results and impact of Lithuania's development cooperation policy and ensure that this policy and its resources produce political and economic benefits to Lithuania and its partner countries. Furthermore, after 2021 Lithuanian government will not have any official strategic document that would outline the importance of development cooperation for Lithuania's foreign affairs, any other goals and priorities, or concrete measures for the successful development cooperation. This creates further challenges for creating a robust development cooperation policy in Lithuania, which would allow the country to utilize this

unique foreign policy tool. In the past, development experts (both from Lithuania and abroad) have highlighted this issue and claimed that it is essential for the government to implement swift qualitative and quantitative changes, particularly establishing more detailed geographic and thematic priorities.

Specific quantitative changes have already been initiated - at the end of 2020, the government accepted changes to the Law of Development Cooperation and Humanitarian Aid. These reforms focus on establishing a more flexible financing mechanism, which will allow Lithuania to pursue larger cooperation projects. At the same time, this opens up new opportunities for Lithuanian development actors to secure required additional national co-financing from the Government when implementing projects funded by such international actors as the EU. However, to fully utilize the potential of such a mechanism and increasing levels of ODA, it is crucial to coincidentally review the long-term goals and priorities of the overall development cooperation policy in Lithuania. Following this, it is essential to ensure that Lithuania's development cooperation priorities are associated with clear goals and performance criteria, which would ensure its long-term effectiveness.

Goal:

Create action guidelines for Lithuania's development cooperation policy, foreseeing long-term strategic priorities, goals, and tools for their achievement.

Milestones:

- Results of current state assessment of Lithuania's development cooperation policy and preliminary international practice review presented and the Office of the President of the Republic of Lithuania;
- Review of relevant international practices for conducting effective development cooperation policies;
- Public consultation regarding the primary project analysis results with relevant stakeholder institutions and other actors;
- Preparation of the preliminary action guidelines document, foreseeing long-term strategic goals and tools of Lithuania's development cooperation;
- Completion of a complimentary consultation cycle with key stakeholder institutions and the preparation of the final guideline and their implementation plan document;
- Final document version presented in the high-level conference "A New Vision for Lithuania's Development Cooperation Policy."

Result:

Strengthening Lithuania's Development Cooperation Policy: Final Report, Recommendations, and Implementation Action Plan. (LT)