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České fórum pro rozvojovou spolupráci
Czech Forum for Development Co-operation

Briefing Paper 2/2011

Czech Republic and its Official Development Assistance

—

April 2011

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Before 1989, Czechoslovakia was a significant donor, however, the Czechoslovak **Official Development Assistance (ODA)** was mostly politically motivated and influenced by the world's bipolar partition. The contemporary development cooperation system (ODA system) was established in 1995 when the Czech Republic joined the Organisation for Economic Cooperation and Development (OECD). **Thus the Czech Republic became the first transition country in Central and Eastern Europe to renew its government foreign aid program.**

In the first twelve years of its existence, the Czech ODA system was fragmented, lacked coherence and transparency. The accession of the Czech Republic to the European Union in 2004 has brought a few changes to the ODA system. However it was not until the first special review was conducted by the Development Assistance Committee of the OECD (DAC/OECD) in 2007, that the Czech Republic made significant effort to enhance its ODA system in line with its ambition to become a progressive emerging donor. The recommendations from the special review triggered a crucial transformation of the Czech ODA system in 2008, a process that was finalized in 2010.

This briefing paper explains the key elements of the Czech ODA system before and after its transformation, including territorial and sectoral priorities, and provides a basic quantitative overview of ODA in comparison to neighbouring Visegrad countries. The paper closes with some figures and links for further reading.

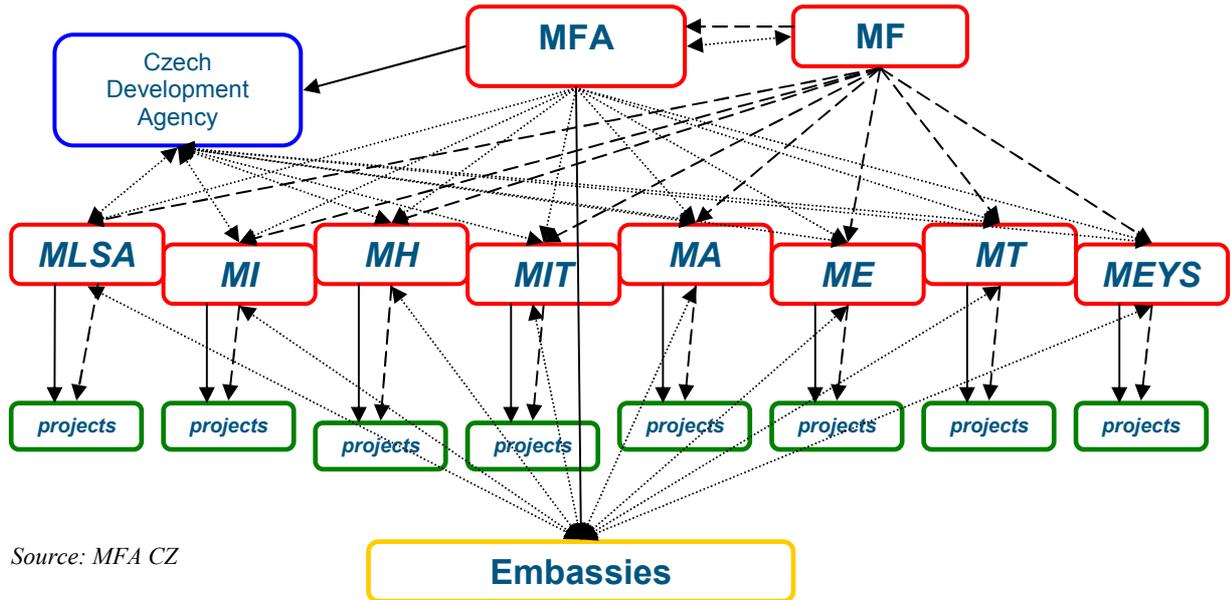
Transformation of the Czech ODA system

A significant step towards an effective Czech ODA system was the transformation process, which took three years from 2008 till the end of 2010. Until 2007, 9 ministries managed the ODA system quite independently as it is shown in the diagram n.1. Since January 2008, bilateral development projects have been transferred in several steps under the competence of the Ministry of Foreign Affairs (MFA).

The transformation culminated in the new ODA system with strengthened competences of the MFA, establishment of the Czech Development Agency (CZDA) and the Czech Council for Development Cooperation and finally the ratification of the Act of Development Cooperation and Humanitarian Aid and the Development Cooperation Strategy of the Czech Republic 2010-2017. Whereas the system provides an exemplar of an effective development ODA system, it provides for several permanent exceptions for the Ministry of Education, Youth and Sports in the area of governmental scholarships for students from developing countries, further for the Ministry of Health in the health care of foreign students and for the Ministry of Interior in the sector of migration and security.



Diagram 1: Czech ODA system before transformation



Source: MFA CZ

System of the Czech ODA since 2010

Since 2010, the main coordinator responsible for policy making is the **Ministry of Foreign Affairs of the Czech Republic (MFA)** which engages in preparation of strategic and conceptual documents, evaluations and management of the CZDA. The implementing body is the **Czech Development Agency (CZDA)** responsible for identification of potential areas for cooperation, formulation of procurements and calls for proposals, contract management and monitoring of the overall implementation. A unique institution in the system is the **Czech Council on International Development Cooperation**. It acts as an inter-ministerial advisory body to the MFA and its role is particularly to ensure a better coordination of the ODA and to achieve policy coherence with other policies. Three platforms are observers to the Council: Czech Forum for Development Cooperation (České fórum pro rozvojovou spolupráci, FoRS), Platform of Private Entities Working in Development Cooperation and Union of Towns and Municipalities of the Czech Republic.



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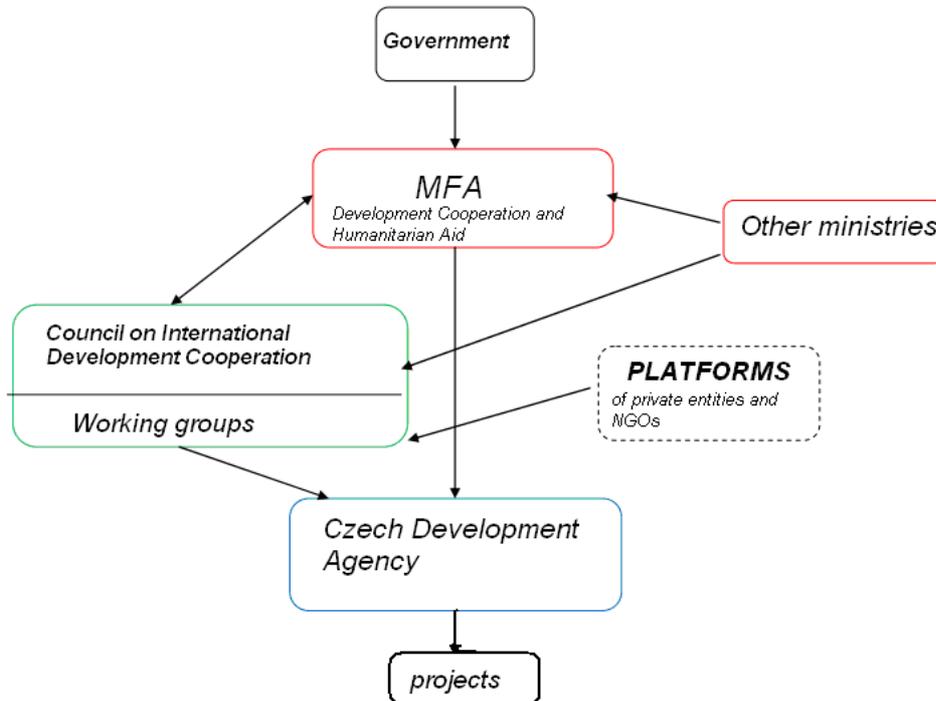
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Diagram 2: Czech ODA system after its transformation



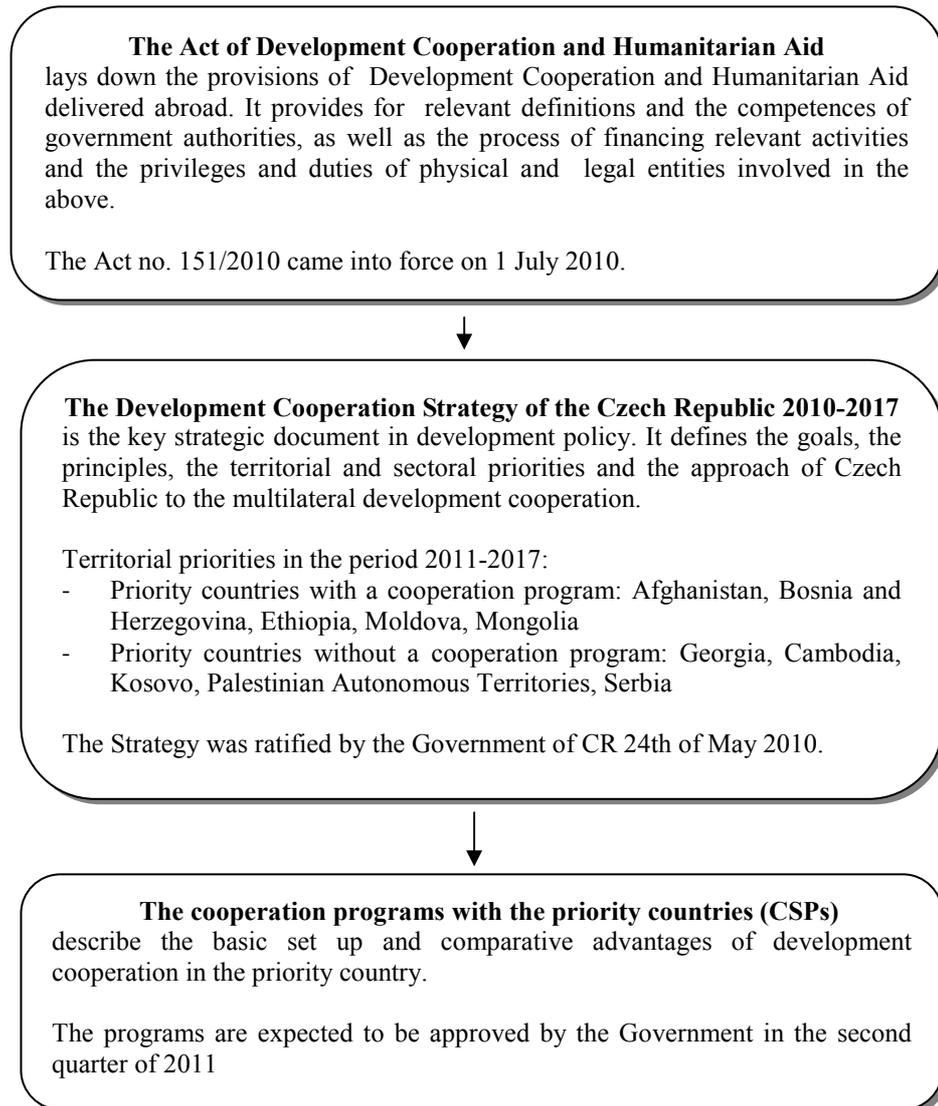
Source: MFA CZ

The Council has been engaged in the preparation of the Act on Development Cooperation and Humanitarian Aid, the Development Cooperation Strategy of the Czech Republic 2010-2017 and individual Programmes for priority countries. The aim of all three types of strategic documents is to achieve more systematization and transparency in ODA system as well as a growth of its volume, quality, effectiveness and impact. Further, every year by 31st May, the MFA presents to the Czech Government three conceptual documents: Plan for the next year, Mid-term plan for next three years and Information about the previous year. The hierarchy of the documents is explained in the diagram 3.



Diagram 3: Hierarchy of the strategic and conceptual documents of the Czech ODA

Strategic Czech ODA documents



Documents submitted by the MFA to the Czech Government each year on May 31.

The Information on the Czech ODA from the previous year

The Annual Plan of the Czech ODA for the next year

The Mid-term Plan of the Czech ODA

Source: Czech Forum for Development Cooperation – FoRS, 2011



According to the recommendation of the special review of the DAC/OECD, the Czech Republic should concentrate on a limited number of **partner countries** and increase among these the number of the **least developed countries (LDCs)**, especially from the Sub-Saharan Africa. In 2011, the government decreased the number of programme countries from 8 to 5 in compliance with these recommendations. However, the number of LDCs among the priority countries decreased to just one – Ethiopia and overall number of partner countries remains the same (see Table 1).

Table 1: Territorial Priorities of the Czech Republic in the period 2006-2010 and 2011-2017

Territorial Priorities in the period of 2006-2010		Territorial Priorities in the period of 2011-2017	
Programme Countries (8)	Angola, Bosnia and Herzegovina, Yemen, Moldova, Mongolia, Serbia, Vietnam, Zambia	Programme Countries (5)	Afghanistan, Bosnia and Herzegovina, Ethiopia, Moldova, Mongolia
Medium-term priority countries (2)	Afghanistan, Iraq	Project Countries (5)	Georgia, Cambodia, Kosovo, Palestinian Autonomous Territories, Serbia
Project Countries (4)	Cambodia, Palestinian Autonomy, Kosovo, Ethiopia	Phase out Countries (4)	Angola, Yemen, Vietnam, Zambia
<i>Total number of partner countries: 14</i>		<i>Total number of partner countries: 14</i>	

Source: Development Cooperation Strategy of the Czech Republic 2010-2017, The Guidelines of the development cooperation after the Czech Republic's accession to the EU



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With regard to the EU, the donor countries should focus on 2-3 **priority sectors** in which they can provide an added value. The Czech MFA created its own terminology for five sectors to include as many areas as possible which resulted in eleven priority sectors according the DAC/OECD terminology. This poses a question of the effectiveness of the Czech ODA system as the limited resources of the Czech governments are spent over such a high number of sectors (see Table 2).

Table 2: Priority sectors in 2010-2017

Priority sectors according to the Development Cooperation Strategy of the Czech Republic 2002-2007	Priority sectors according to the Development Cooperation Strategy of the Czech Republic 2010-2017	The same priority sectors translated as per the DAC / OECD terminology
Environment	Environment	Water supply and sanitation General environmental protection Disaster prevention and preparedness
Social development	Social development (including education, social and health care system)	Education
Education		Health
Health care		Other social infrastructure and services
Migration and Good governance	Support of democracy, human rights and social transformation	Government and Civil Society
Economic infrastructure	Economic development	Energy generation and supply Business and other services Industry, mineral resources and construction
Agriculture	Agriculture	Agriculture, forestry and fishing
<i>Total number of priority sectors: 7</i>	<i>Total number of priority sectors: 5</i>	<i>Total number of priority sectors: 11</i>

Source: Development Cooperation Strategy of the Czech Republic 2010-2017, The Guidelines of the development cooperation after the Czech Republic's accession to the EU



The Czech ODA in numbers

The Czech Republic **increased the absolute amount of the ODA by 31 %** from 3.236 billion CZK in 2005 to 4.248 billion CZK in 2009. Nevertheless, **the ratio** of the ODA to the gross national income (GNI) remained almost the same at **0,12 %** during the period concerned. The Czech Republic did not fulfil the commitment assigned to EU-12 countries, i.e. to achieve the ratio 0,17 % of GNI in 2010 and it is not clearly defined even in the new Strategy, how it plans to advance towards the next level of commitments for the EU12, i.e. 0,33 % for the year 2015.

Comparing with other Visegrad countries (Table 3), **the Czech Republic is in the forefront with quite stable ODA/GNI ratio of around 0,11 – 0,12 % since 2004**, whereas the ODA/GNI of other Visegrad countries has fluctuated more significantly over the years (see Table 3). Furthermore, building on its experience with evaluations, which took place till 2004, the Czech Republic started again its programme and project evaluations as the first from the Visegrad countries in 2010, which proves that it means to improve the effectiveness and impact of its ODA as well.

Table 3: Visegrad countries ODA/GNI ratio

Visegrad country/year	2004	2005	2006	2007	2008	2009
Czech Republic	0.11%	0.11%	0.12%	0.11%	0.12%	0,12%
Hungary	0.06%	0.11%	0.13%	0.08%	0.08%	0,09%
Poland	0.05%	0.07%	0.09%	0.09%	0.08%	0,09%
Slovakia	0.07%	0.12%	0.10%	0.09%	0.10%	0,09%

Source: DAC/OECD www.oecd.org/dac/stats/data

Whereas **bilateral aid** is provided by one country directly to another; **multilateral aid** is given through the intermediation of an international organization, which pools donations from several countries' governments and then distributes them to the recipients. The following table shows the allocation of financial resources to bilateral/multilateral ODA in 2009. Comparing with other Visegrad countries, the Czech Republic maintains a high percentage of bilateral/multilateral ODA (47%), while other Visegrad countries keep only 25% (See Table 4). This is because of the lack of resources of other Visegrad countries and compulsory contribution to the EU development budget.

Table 4: Bilateral versus Multilateral ODA in 2009

Visegrad country	Bilateral / Multilateral ODA (in %)	Total ODA (in mil. USD)
Czech Republic	47 % / 53 %	214.72
Hungary	25 % / 75 %	116.92
Poland	25 % / 76 %	374.67
Slovakia	26 % / 74 %	75.39

Source: DAC/OECD www.oecd.org/dac/stats/data



A few other facts about the Czech ODA

- **Czech development cooperation** is a set of activities financed from the national budget aimed at contributing to the eradication of poverty in the context of sustainable development including the fulfilment of the Millennium Development Goals, further to economic and social development, to environmental protection, and to the promotion of democracy, human rights and good governance in developing countries. (The Act no. 151/2010);
- **Czech humanitarian aid** is a set of activities financed from the national budget in order to prevent loss of life and injury, to alleviate suffering and to restore the basic living conditions of people after an emergency, to mitigate lost-lasting consequences of emergencies and to prevent their occurrence and negative consequences. (The Act no. 151/2010);
- **The strategic objective of Czech development policy is to eradicate poverty and promote security and prosperity through effective partnership** enabling poor and undeveloped nations to realize their development goals. (The Development Cooperation Strategy 2010-2017);
- The government will be actively involved in the international endeavour in fulfilling the Millennium Development Goals and solving of the global challenges in the development field. In its endeavour, the **government will cooperate with the non-governmental organizations**. (Programme declaration of the Czech government from 4th October 2010);
- **According to the survey of the European Commission, 87 % of the citizens of Czech Republic support the help developing countries**. The Czech Republic ranks with such a percentage among the group of long-term donors like Belgium, Netherlands, France and the United Kingdom. (How Czech Republic alleviates global poverty, FoRS, 2010. The final report – Czech development Cooperation, SC&C Ltd, 2008);



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Further information:

MFA: The Guidelines of the development cooperation after the Czech Republic's accession to the EU,

MFA: Transformation of the Czech International Development Cooperation (IDC) System

MFA: The Development Cooperation Strategy 2010 - 2017,

MFA: Act on Development Cooperation and Humanitarian Aid,

MFA: [Czech Development Cooperation in 2009](#)

MFA: [The Czech Republic's development cooperation concept for 2002-2007.](#)

MFA: The Czech Republic and the DAC,

FoRS: Jak Česká republika snižuje globální chudobu – stínová zpráva o zahraniční rozvojové spolupráci – retrospektiva pěti let. Praha, 2010.

FoRS: Jak Česká republika pomáhá? Studie o zahraniční rozvojové spolupráci za rok 2007, Praha, 2008.

FoRS: Česká pomoc na rocestí. Zpráva nevládních neziskových organizací o zahraniční rozvojové spolupráci 2008-2009. Praha, 2009.

CONCORD: Penalty against Poverty: More and Better EU aid can score Millennium Development Goals. Brussels, 2010.

FoRS – The Czech Forum for Development Cooperation

FoRS – The Czech Forum for Development Cooperation – is a platform of 54 non-profit non-governmental subjects concerned with development cooperation, development education and humanitarian aid. Visit us at www.fors.cz or write to policy@fors.cz.

FoRS is the founding member of CONCORD, the European NGO Confederation for Relief and Development. Its 18 international networks and 25 national associations from the European Member States represent more than 1600 European NGOs vis-à-vis the European Institutions. (www.concordeurope.org)

Association for International Affairs

Association for International Affairs is a non-governmental organization founded to promote research and education in the field of foreign policy and international relations. Thanks to its activities and more than ten-year tradition, the Association has established itself as the preeminent independent foreign policy think-tank in the Czech Republic. The Association facilitates expression and realization of ideas, thoughts and projects in order to increase education, mutual understanding and tolerance among the people. Visit us at www.amo.cz.