

AIDWATCH 2014

**WHAT THE CZECH REPUBLIC DOES (WILL DO) FOR POVERTY
ERADICATION IN THE WORLD BY 2015 AND BEYOND**

**THE VIEW OF THE CZECH NON-GOVERNMENTAL ORGANIZATIONS
ON THE CZECH REPUBLIC'S DEVELOPMENT COOPERATION**



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

INTRODUCTION

Since 2008 FoRS – Czech Forum for development cooperation – has issued on regular basis a brief survey and evaluation of the Czech development cooperation for the past year as seen by the Czech non-governmental development and humanitarian organizations in the framework of the so-called Czech Aidwatch report.

This year's report aims as well at clarifying the **envisaged historical shift in 2015 in the approach of the international community to development cooperation (DC) and to sustainable development**. The reason is that UN will on its ground evaluate reaching of the so-called Millennium Development Goals (MDGs) aimed at eradication of poverty and poverty-related problems in developing countries. Simultaneously, a new universal framework should be approved, which shall not only address the basic causes of poverty, but secure sustainable development on global scale as well. In the inter-connected world there is no "us" and "them". New goals of sustainable development (SDGs) should apply both on rich and poor countries. However, development, prosperity and decent life are not possible without protection of the environment and without respecting the limits of our planet, without the cooperation among sectors and without interconnecting of domestic and foreign, development and non-development agenda.

LIST OF ACRONYMS

ATI	Aid Transparency Index	GNI	Gross National Income
COHAFA	Council Working Party on Humanitarian Aid and Food Aid	IATI	International Aid Transparency Initiative
CONCORD	European NGO confederation for relief and development	LDC	Least Developed Countries
CPA	Country Programmable Aid	LIC	Low Income Countries
CZ	Czech Republic	MDGs	Millennium Development Goals
CZDA	Czech Development Agency	MIC	Middle Income Countries
CZDC	Czech Development Cooperation	MFA	Ministry of Foreign Affairs
EDF	European Development Fund	NGOs	Non-governmental organizations
ECHO	EC Directorate for Humanitarian Aid	ODA	Official development assistance
EC	European Commission	OECD DAC	Development Assistance Committee of Organisation for Economic Cooperation and Development
EU	European Union	PCD	Policy Coherence for Development
EUNIDA	European Network of Implementing Development Agencies	PRT	Provincial Reconstruction Team
FoRS	Czech Forum for Development Cooperation	PWYF	Publish What You Fund
GCF	Green Climate Fund	SDGs	Sustainable Development Goals
GDE	Global Development Education	UN	United Nations
		WHO	World Health Organisation

1.

WHY DEVELOPMENT COOPERATION MATTERS ALSO FOR THE CZECH REPUBLIC

Compared to the year 2000, when the MDGs were adopted, the position of the Czech Republic (CZ) as a development cooperation actor has principally changed. **CZ is nowadays the 37th richest country in the world¹.** It is a member of the EU, the biggest worldwide donor of official development assistance (ODA)², providing more than half of the global ODA. And finally: in 2013 **CZ became a member of the OECD Development Assistance Committee (DAC), which brings together the most important ODA donors³.** Joining this Committee means increased prestige for the CZ, but also more ambitious commitments on the side of CZDC quality and transparency, including increasing financial means for ODA.

DC means enhancement not only for developing countries, but for the entire global community, therefore also for the CZ. Effective development cooperation contributes in a considerable degree to stable and safe international environment, which is also a contribution to global economic environment. Without prosperity, stability and therefore sustainability of the global environment there can be no prosperity and stability in the CZ either.

Development cooperation is also **an expression of solidarity and a sign of maturity of the community.**

High quality development cooperation in itself supports the **building of good reputation of the CZ**, thus helping the development of bilateral relations with partner countries: cultural, economic, trade, scientific etc.

¹ World Bank (2014): *World Development Indicators Database*

² In CZDC, by official development assistance (ODA) are understood all provable expenditures from the national and other public budgets in the Czech Republic that have been used to support the social and economic development of partner countries, in accordance with OECD DAC methodology. MFA (2014): *Czech Development Cooperation in 2013*.

³ 28 states and EU are currently members of OECD DAC. See OECD DAC: <http://www.oecd.org/dac/dacmembers.htm#members>

2.

CURRENT CHALLENGES OF DEVELOPMENT COOPERATION: FROM THE MILLENNIUM DEVELOPMENT GOALS (MDGS) TO SUSTAINABLE DEVELOPMENT

DC DEALS WITH POVERTY AND SOCIAL INEQUALITIES – DEVELOPMENT MUST BE INCLUSIVE AND NOT NEGLECTING MARGINALISED GROUPS OF POPULATION – NATIONAL POLICIES MUST NOT UNDERMINE DC EFFORTS

Poverty has many forms and dimensions, including the deepening inequalities in society and insufficient access to basic public goods. Economic growth – therefore creation of wealth – is a principal but not sufficient component of development. To contribute really to poverty eradication it must have certain features: be inclusive and sustainable, create decent jobs for men and women, and must be placed on skills and know-how, and create a source of tax revenues. Moreover, economic growth does not increase the living standard for various regions, ethnics, genders or social groups evenly.

That is why **development cooperation** strives to contribute to such economic growth, which does not endanger the long term conditions for good quality life on Earth and brings profit also to groups most endangered by poverty, such as women, children, small-scale farmers, older people or people with disabilities.

In 2000 the UN member states and development institutions pledged to fulfil by 2015 **eight so-called millennium development goals (MDGs)**, the covering task of which is eradicating extreme poverty and hunger⁴. MDGs have unprecedentedly increased the legitimacy of development cooperation and shifted the issue of development to a high political level. A number of concrete goals have already been achieved, both on the global level and the individual countries' level. Nevertheless the chances for reaching all MDGs differ considerably among countries as well as inside the countries, regions, cities and countryside. Most people living in poverty are at present in south Asia and sub-Saharan Africa⁵. However, the deepening inequalities are most visible in the middle income countries (MIC), such as e.g. Argentina, Brazil, India or China⁶.

For fulfilling MDGs related to poverty, health and education, developing countries lack the sources of public finances of as much as 120 billion USD⁷. That is three times more than the existing volume of ODA, which reaches the developing countries in the form of real finances, about the use of which the actual developing countries primarily decide in their national budget⁸. A number of the poorest countries (LDCs) practically do not dispose with any domestic public financial sources. Last year the 12.3 % worldwide increase of ODA to LDCs was caused

4 Other MDGs are: ensure primary education for all, secure gender equality and strengthen the role of women in the community, decrease infant mortality, improve the health of mothers, fight against HIV (AIDS), ensure sustainable state of the environment, build global partnership for development (see UN: <http://www.un.org/millenniumgoals/>).

5 See UN (2014): *The Millennium Development Goals Report 2014*. <http://www.un.org/millenniumgoals/2014%20MDG%20report/MDG%202014%20English%20web.pdf>

6 OECD (2011): *Divided We stand: Why Inequality Keeps Rising*

7 OECD (2012): Issue Paper: *Achieving the MDGs* <http://www.oecd.org/social/poverty/50463407.pdf>

8 Total amount of annual global ODA flows moves around 130 billion USD, but only one third is the so-called Country programmable aid (CPA), i.e. funds which really get from donors to partner countries and the use of which is decided by actual beneficiaries in their budgets. See OECD DAC: *Country Programmable Aid*. <http://www.oecd.org/dac/aid-architecture/cpa.htm>

mainly by the debt relief to Myanmar⁹, which does not represent the so badly needed real transfer of the funds to LDCs. Moreover, developing countries will need 0.5 to 1 trillion dollars to adapt to climate change and to alleviate their negative impacts¹⁰.

BOX 1: EVEN DESPITE THE SUCCESSES IN FULFILLING MDGS

- there are still 1.2 billion people living on less than 1.25 USD per day in the world;
- every eighth person on the planet starves;
- almost 600 children die every day of health problems caused by AIDS;
- more than 2.5 billion of people do not have access to sanitation;
- one third of municipal population in developing countries live in slums;
- of the more than 900 illiterate people, over 60 % are women;
- every day more than 32 000 people leave their homes because of war conflicts¹¹...

Poverty cannot be eradicated without holistic approach. Coherent approach to development during the national policy-making processes multiplies the positive impacts of development cooperation.

International community is facing the challenge **how to make development cooperation more effective, secure policy coherence for development (PCD) and mobilize new transparent sources of financing sustainable development**, which will add to the existing sources of ODA after 2015.

⁹ OECD (2014): *Aid to developing countries rebounds in 2013 to reach an all-time high*: <http://www.oecd.org/newsroom/aid-to-developing-countries-rebounds-in-2013-to-reach-an-all-time-high.htm>

¹⁰ Pereira, J. (2013): *Pro-poor Climate Finance: Is There a Role for Private Finance in the Green Climate Fund?* http://libcloud.s3.amazonaws.com/93/7b/5/2931/5-13_Pro-poor_Clim_Fin_-_Role_4_Priv_Fin_in_GCF.pdf

¹¹ See UN (2014): *The Millennium Development Goals Report 2014*: <http://www.un.org/millenniumgoals/2014%20MDG%20report/MDG%202014%20English%20web.pdf>

3.

HOW TO INCREASE THE EFFECTIVENESS OF THE CZECH DEVELOPMENT COOPERATION

THE SYSTEM OF THE CZECH DC IS SET – RESULTS-ORIENTATION APPROACH IS NEEDED – TRANSPARENCY AND CROSS-CUTTING PRINCIPLES IMPLEMENTATION ARE TO BE IMPROVED – LONGTERM FINANCING OF DC PROGRAMS AND PROJECTS IS MISSING

BOX 2: CZECH DC ACHIEVEMENTS AND CHALLENGES BY 2013

ACHIEVEMENTS:

- CZ accession to the club of the most important donors – OECD DAC as the first from the so-called EU 13 member countries.
- Constantly high public support of development cooperation and humanitarian aid.
- Successful completion of the ten year long CZDC system transformation, its purposeful set-up, strategic framing and targeting, and division of roles among the Ministry of Foreign Affairs (MFA), the Czech Development Agency (CZDA) and other state administration bodies.
- The newly acquired observation status of CZDA in the association of European development agencies (EUNIDA) opens for the CZ also the opportunities of participation into the EC-funded projects.
- Czech development projects appreciated by partnership countries include also the projects in Western Balkans and in Eastern Europe, which help the targeted countries in their integration into the EU.
- The setting-up of the system of independent evaluation of development projects.
- Re-confirmation of CZDC priorities based on the mid-term CZDC Strategy 2010-17 review.

SPHERES FOR LONG-TERM IMPROVING:

- To reach the international ODA commitment equal to 0.33 % GNI by 2015; the share of ODA on GNI is now lowest since 2007, despite enlivening of economy in 2013 the CZ has spent on ODA 3.9 % less than in 2012.
- Insufficient personnel and expert capacities for efficient DC management and implementation, including decentralization and higher presence in partner countries – for more efficient and complex interconnecting of existing DC tools and projects.
- Stagnating volume of funds for humanitarian aid (the growth of which should however be not to the detriment of other DC components).
- Lasting absence of a concrete strategy for the fulfilment of international development effectiveness commitments according to the conclusions of the Fourth High-Level Forum on Aid Effectiveness in Busan in 2011.
- Respecting the principle of policy coherence for development (PCD) – the CZ lacks a clear political commitment and strategy to realistic adjustment of the national policies which are not in harmony with the Czech development cooperation objectives or which weaken the development.
- Insufficient systematic cross-cutting DC principles implementation, i.e. good governance, respect for the environment and the climate, and the respect for human rights, including gender equality.

The CZDC has a well established legislative and institutional framework, understandable development policy and targeted strategy¹². The set-up of management and organization of DC and division of competences between the MFA and implementing agency for development cooperation (CZDA) seems to serve the purpose well. The intersectorial body for strategic debates, including also representatives of civil society and business sector, is the Council for Development Cooperation. Its task is to harmonize individual departmental policies with DC objectives. However, this role has not been, in the view of FoRS, successfully fulfilled.

The budget of Czech ODA is limited, and therefore it is necessary, in accord with long-term recommendations of OECD DAC, to target CZDC better and to further decrease the number of priority countries and sectors. Increasing development effectiveness should be contributed to also by the newly introduced sector strategies of the CZDA, which strive for better interconnecting of development activities in priority sectors in priority countries. It is important to maintain the continuity of the Czech ODA and implement independent evaluations recommendation and at the same time make sure to respect the effectiveness principles and sustainable development principles.

Czech DC must concentrate on achieving results which correspond to the priorities of partner countries and the needs of local communities. This is not possible without mutual accountability and democratic ownership on the side of the ODA beneficiaries. Better coordination and harmonization with other donors and implementers in the field is contributed to e.g. by CZ's participation in the EU joint programming¹³. Positive impact on the Czech DC effectiveness should come also with the introduction of the function of development diplomats in priority countries, who would lead the formulating and monitoring of the development projects and work in close cooperation with the CZDA¹⁴. Last but not least, DC is effective only when its results can be maintained also after termination of the projects. Concrete recommendations aimed at increasing the sustainability were brought also by FoRS study in 2014¹⁵.

Providing ODA to the partner countries should not be linked to supplies of goods or services from the CZ¹⁶. Creation of investment and export opportunities for the Czech companies is not the primary purpose of Czech DC. That is served by export policy and other instruments. On the other hand it is all right, when DC projects open the door to following demand for the Czech services or products, which is however based already on the business relationship.

The Czech Republic should improve the transparency of publishing and access to information about DC not only for Czech tax-payers, but also for organisations and beneficiaries at the place of implementation. CZ has already been publishing ODA book-keeping according to standards of the International Aid Transparency Initiative (IATI) and joining this initiative, in the declared horizon of the end of 2015.

In 2014 the transparency of CZDA was evaluated by the independent initiative Publish What You Fund (PWYF)¹⁷ repeatedly as poor. Moreover, among the EU countries the CZ fell down from the seventh to the tenth place. On the other hand, according to the PWYF, CZ remains to be the most transparent donor of the EU new member countries.

¹² See OECD DAC (2013) evaluating report: *The Czech Republic's Readiness for Accession to the DAC- Note by the Secretariat*.

¹³ At the moment CR participates in a joint program of EU in Ethiopia and its preparation in Georgia.

¹⁴ Currently Czech development diplomats are present in Georgia, Moldavia, Cambodia and Palestine Autonomous Region. This function is to be introduced soon at the embassy in Ethiopia.

¹⁵ See Korner, Pibilová for FoRS (2013): *Sustainability of Czech Projects of Foreign Development Cooperation*: http://www.fors.cz/wp-content/uploads/2014/04/sustainability-web-FINAL_CZ2.pdf

¹⁶ See recommendation in OECD DAC (1913) evaluating report: *The Czech Republic's Readiness for Accession to the DAC- Note by the Secretariat*.

¹⁷ PWYF Initiative evaluates bilateral and multilateral donors of ODA according to index of transparency (Aid Index, ATI). See more on <http://www.publishwhatyoufund.org>

Three cross-cutting principles, which should be considered in all stages of the development project cycle, are the following: good governance, respect for the environment and the climate, and respect for the human rights, including gender equality. In the framework of the mid-term CZDC Strategy review as well as on the basis of the OECD DAC recommendations it was manifested, that it is necessary to work further on their systematic implementation and better monitoring and evaluation of their implementation¹⁸.

Last but not least, predictability and fluency of financing is important for effective DC implementation. Despite all efforts of the MFA and CZDA, the current system of one-year financing of projects in the frame of Czech tax year brings complications for implementers, partners and beneficiaries alike. Multiannual projects are usually divided into single-year projects without guaranteeing the total sum of financing for the entire time of the project period. Under such conditions it is difficult to manage the projects well. Yet, fluent and guaranteed financing of long-term projects is legislatively possible in the CZ in certain areas; for introducing multiannual financing of DC projects it is possible to use e.g. the experience from the projects of the Ministry of Finance or Ministry of Environment in the sphere of old ecological burdens liquidation.

18 This should be contributed to by the running meta-evaluation, i. e. Evaluation of external evaluation reports from the period 2012-2013, ordered by MFA in 2014.

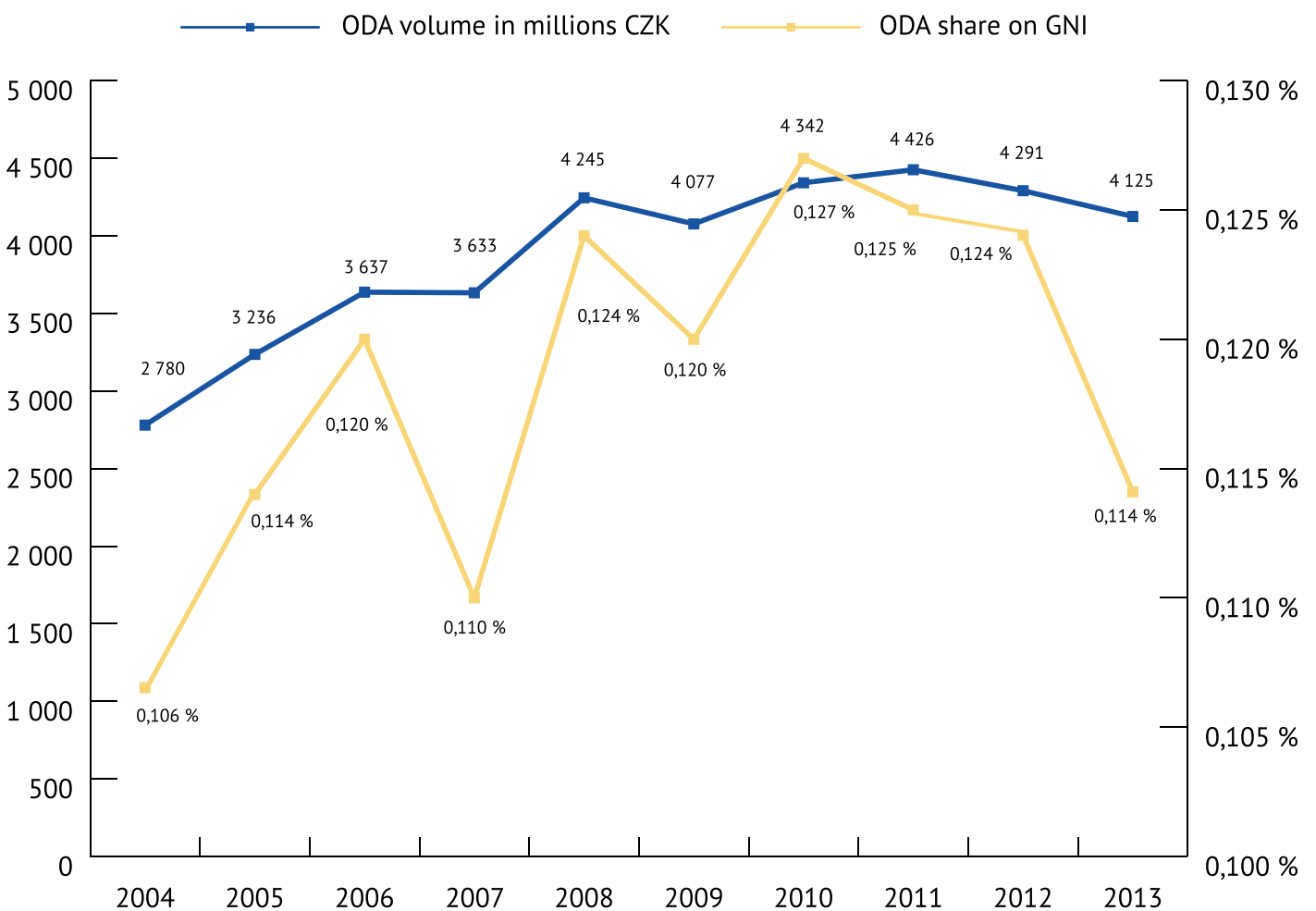
4.

DC FINANCING IS DECLINING DESPITE RENEWED CZECH ECONOMIC GROWTH

CZECH REPUBLIC DOES NOT FULFIL ITS INTERNATIONAL COMMITMENTS ON DC FINANCING – UNFAVOURABLE RELATION BETWEEN BILATERAL AND MULTILATERAL DC

In 2013, the CZ provided 4.2 billion CZK on ODA, which is 3.9 % less compared to 2012. ODA share on GNI in 2013 has dropped to 0.11 %, as compared to 2012 – i.e. the lowest percentage level since 2007. Thus the unsteady trend in the financing of Czech DC is continuing. According to the DC budget plan for 2015 and the medium-term outlook of financing approved by the government, even decline in the absolute height of ODA is expected in 2015, and moderate increase is foreseen only from 2016. More noticeable growth concerns only items which do not mean direct transfer of sources to partner countries (such as civilian missions, EU contributions). Though the ODA/GNI share represents neither the real financial flows to developing countries nor the real expenditures from the state budget, it is nevertheless an important indicator of the ODA volume of the donating country. The share of the Czech ODA on GNI for as long as 2017 is planned only on the level of 0.11 %.

CHART 1: CZECH ODA VOLUME AND ITS SHARE ON GNI (2004–2013)

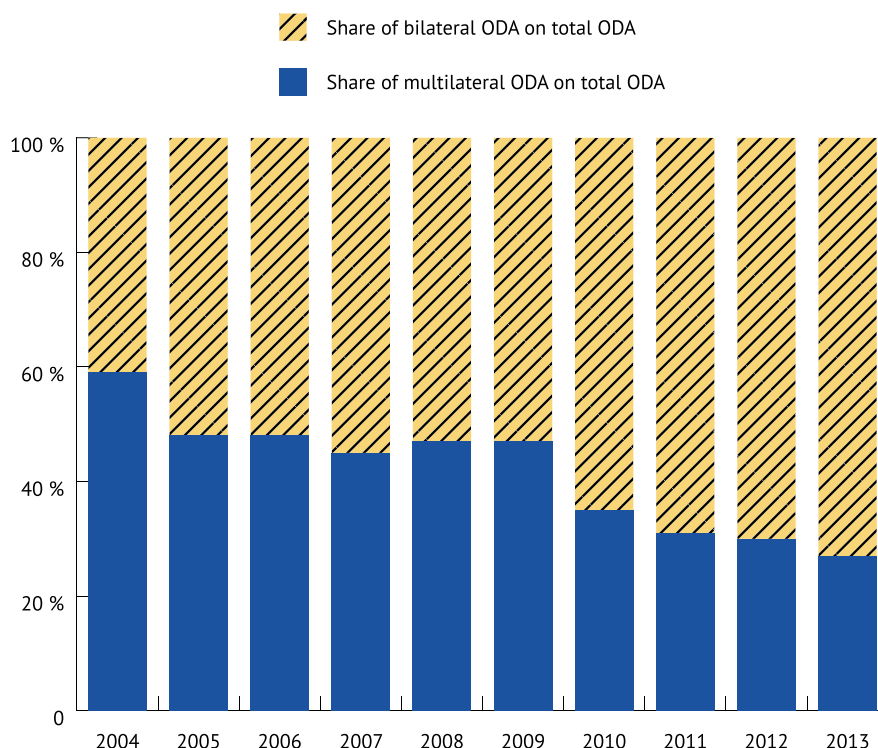


Source: Own processing according to data of MFA and CZDA on CZDC in 2004–2013

The Czech Republic is thus far from fulfilling its international commitment of giving 0.33 % of its GNI on development by 2015¹⁹. Moreover, it has not made any steps to mid-term increase in the following period. However, at the same time it confirmed in the mid-term review of the current DC Strategy its intention to stick to its commitment after the set-up term. In favour of the needed political decision speaks also the lasting public support²⁰, continuing economic enlivening and expected economic growth of the CZ in the range of 2-3 %²¹. In long term horizon, the stagnation of CZDC as well as the vacillation of financial volumes of ODA is not a good signal with regard to the fresh membership of the CZ in OECD DAC either, where the majority of donors have increased the funds for ODA. And that includes Poland and Slovakia, who just as the CZ became DAC members in 2013. According to the view of FoRS, the increase of CZDC budget should be approached systematically and on the basis of a long-term plan. Simultaneously with growing volume of ODA, the administrative capacity of the system should be strengthened, particularly on the side of CZDA and Czech embassies.

The share of multilateral development assistance in the level of 73 % has increased again by 2012 to the detriment of bilateral assistance, which was assigned only 1.115 billion CZK, i.e. 27 %²². That is 0.182 billion CZK less than in 2012. On the contrary, multilateral ODA has increased compared to 2012. With regard to the character of multilateral ODA in the form of mandatory contributions, or calculated part of contribution to the budget of EU and European development fund (EDF), this ratio can be reversed only by more ambitious increasing of bilateral ODA best of all its components designed for development projects and humanitarian aid. At the same time, the fact that multilateral contributions to the EU budget make up as much as 56 % of the whole Czech ODA encourages higher participation of the CZ in the European development cooperation.

CHART 2: HISTORY OF PROPORTION OF BILATERAL AND MULTILATERAL ODA OF CZ (2004-2013)



Source: Own processing according to data of MFA and CZDA on CZDC in 2004-2013

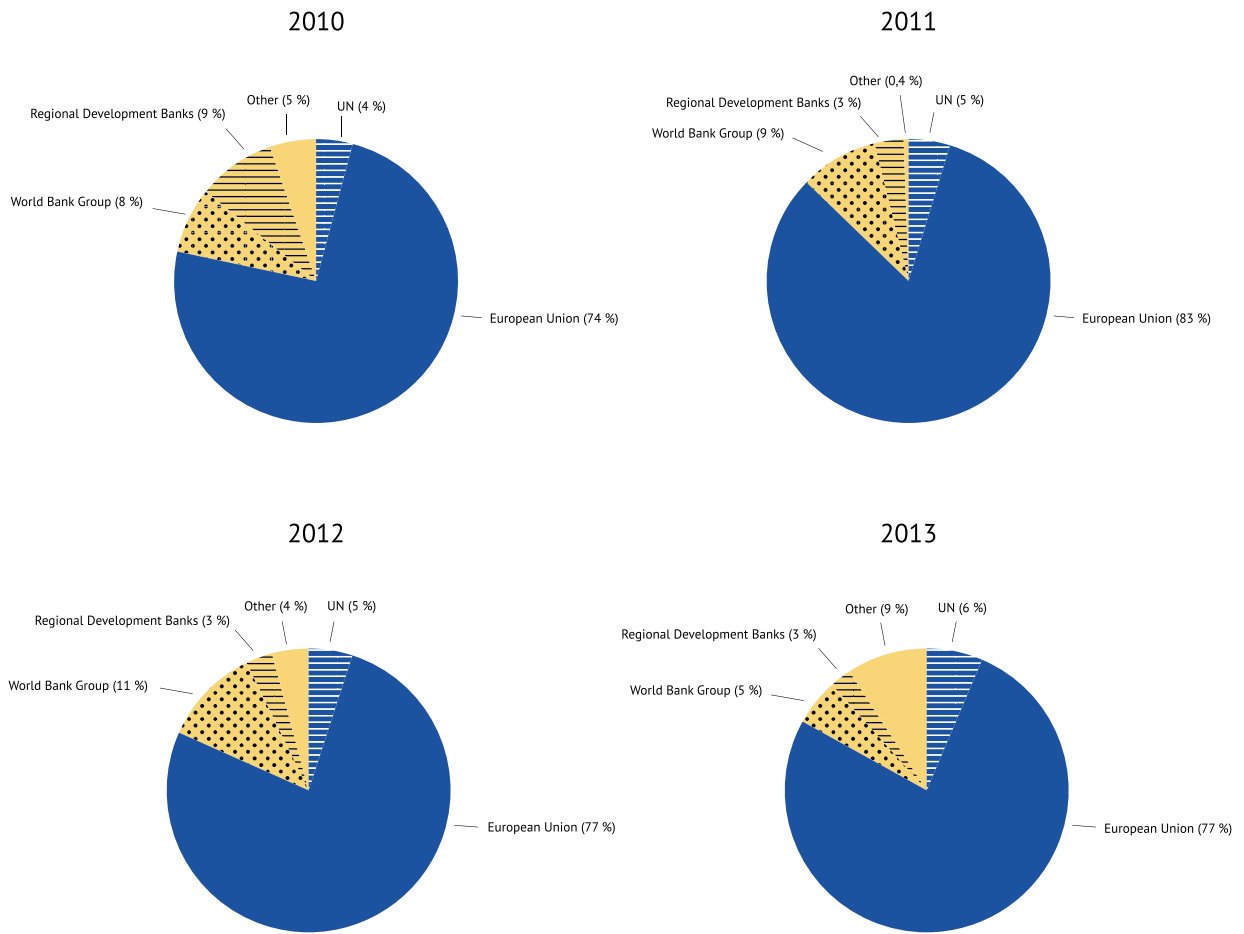
¹⁹ See the Conclusions of European Council from 2005, according to which CR is to strive for reaching 0.33 % share of official development aid on GNP by 2015.

²⁰ FoRS, NMS Market Research (2014): *Final Report from the Survey of Attitude to Development Cooperation and Humanitarian Assistance*.

²¹ OECD (2014): *Czech Republic's Economic Forecast*. <http://www.oecd.org/eco/outlook/czech-republic-economic-forecast-summary.htm>

²² Official Development aid of the CR has two basic components – bilateral one and multilateral one. The multilateral consists mainly of mandatory payments to international organisations, primarily CR's contribution to EU budget and to European Development Fund (EDF). Bilateral aid consist of development projects, scholarships, humanitarian assistance, help to refugees in the CR, army (peace) missions etc.

CHART 3: MAIN ITEMS OF MULTILATERAL ODA OF CZ (2010 - 2013)



Source: MFA (2014): Statistic supplement of Czech ODA for 2013

5. FORMS OF REALIZATION OF BILATERAL DC: FROM PROJECTS ABROAD TO AWARENESS-RAISING AND EDUCATION IN THE CZ

NECESSITY TO STRENGTHEN DEVELOPMENT PROJECTS AND HUMANITARIAN AID – CZECH PUBLIC IS IN FAVOUR OF AWARENESS-RAISING AND GLOBAL DEVELOPMENT EDUCATION – TRILATERAL PROJECTS MULTIPLY BOTH THE EFFECT AND THE VOLUME OF DC – EXAGGERATED BUDGET FOR SCHOLARSHIPS

Realization of the Czech bilateral DC is carried out in the form of so-called assistance modalities: bilateral and trilateral projects abroad, assistance to refugees in the Czech Republic, civilian missions and peacekeeping operations, administrative costs of MFA and CZDA, humanitarian aid, scholarships (including health care), Provincial Reconstruction Team (PRT) Logar projects, transition promotion, projects by international organizations, other development activities (by state, local governments and universities), development education and awareness and support of NGOs.

At this point it has to be said that NGOs recommend that states of the so-called global North (CZ as well) voluntarily decide not to account the sums spent on help to refugees and scholarships in the official ODA statistics. And to do this even despite the fact that the methodology of statistic accounting according to OECD DAC enables it. The reason is that these modalities do not represent any measurable benefit for developing countries²³.

ODA accounting should not include the means provided for the Green Climatic Fund (GCD) and similar funds aimed at financing measures for climate change impacts mitigation and adaptation in developing countries. The so-called climate finance should be provided as additional to the ODA means, as ensues from the obligation adopted by rich countries at the UN Conference on Climate in 2009 and 2010. The reason is the specific nature of the climate change which has a wider dimension than just the development one.

The chief assistance modality is formed by **development projects abroad. In 2013 total 326 development projects worth 441.45 million CZK were financed from Czech ODA.** That includes also 116 small local projects worth 27.16 million CZK, the realization of which was attached to Czech embassies abroad. It is true that these small projects are most close to untied assistance (i.e. are realized by partner subjects abroad), but by their small scale and finances have limited development impacts and require substantial support of the embassies. Most projects were in the sector of water and sanitation, agriculture and energy.

Beside this 60 subsidized projects worth 30.46 million CZK were realized in the CZ and EU, focused on global development education (GDE), awareness and support of capacities of NGOs and business subjects in DC. However, the budget for these is not sufficient. As shown by public opinion research, **awareness and development-educational projects in the CZ are highly needed parts of DC.** The fact is that Czech public lacks information about development cooperation but cares about it. Up to 85 % of the public supports the idea that pupils and

²³ This recommendation corresponds to the methodology of European Confederation of NGOs for humanitarian aid and development (CONCORD), distinguishing between “genuine” and “inflated” development assistance. According to CONCORD, advanced donors should eliminate “inflated” aid, although it can be counted in the official statistics of ODA according to OECD DAC. The fact is it does not represent any direct transfer of sources for improvement of the living conditions of people and communities in developing countries (CONCORD 2013): *AidWatch 2013: Genuine and Inflated Aid.*

students at schools engage in the theme of global responsibility²⁴. GDE helps people to view critically the global connections and to form a community which regards solidarity, cooperation and citizens' active approach as its fundamental norms.

BOX 3: IMPRINT OF CZECH DEVELOPMENT COOPERATION AT HOME²⁵

- 45 Czech primary and secondary schools, together with almost 200 other European schools, enjoy the title *World School*, awarded to schools where global issues make a natural part of teaching and life of the school and where pupils under the guidance of teams of teachers deal actively with global events and observe the current development in developing countries.
- At the occasion of World Day for Fair Trade, almost 60 cities and towns and almost 2000 people supported the idea of fair trade by joining the *Fair Breakfast* project.
- More than 60 NGOs of various spheres are today participating in the campaign *Czech Republic Against Poverty*, which in cooperation with regional colleagues has impact in more than 1150 towns and municipalities in the Czech Republic.

The assistance modality which the CZ should increase according to FoRS, is **humanitarian aid**. In 2010 there was a single cut in humanitarian aid budget (within the frame of total cuts of the MFA budget) by 20 % to 73 million CZK. Within the expected growth of ODA, an increase of humanitarian budget was also proposed, so that at present it should surpass 100 million CZK a year²⁶. However that did not take place and the level of finances for humanitarian aid stays at approximately 70 million CZK. Beside the government, other important actors are also Czech humanitarian NGOs. The Czech public regularly express their support for them by the ability to contribute significantly to collections held at the occasions of humanitarian catastrophes. Czech NGOs are partners also for international organizations, such as EC Directorate for humanitarian aid (ECHO). Winning the partnership agreement with ECHO requires fulfilling strict criteria. Since 2004 ECHO has signed agreements with only nine NGOs from the new EU member countries, of which three are Czech NGOs. In fact, Czech organizations were in the 2004-2013 period the most successful of the new member countries as regards the number and total volume of implemented ECHO projects²⁷.

²⁴ See FoRS, NMS Market Research (2014): *Final Report from the survey Attitude to development cooperation and humanitarian aid*.

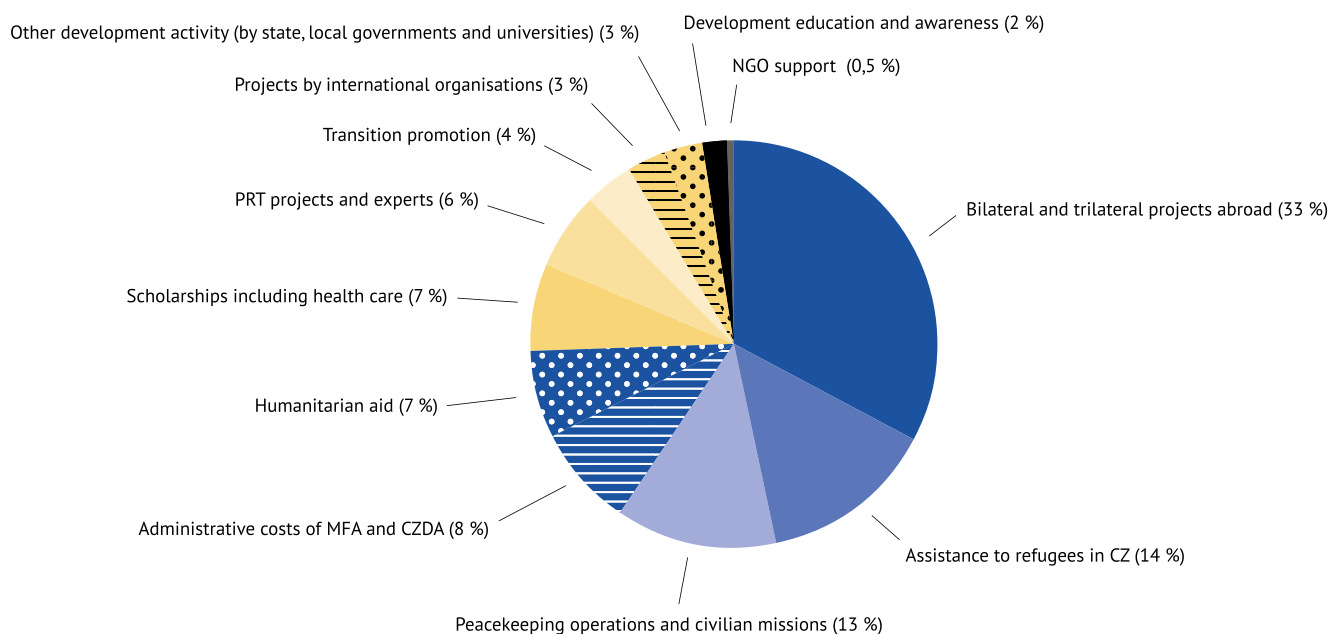
²⁵ See Global development education: <http://www.globalnirozvojovevzdelavani.cz>, Variants: World School: <http://www.varianty.cz/index.php?id=12&item=42>, CR against poverty: <http://www.ceskoprotichudobe.cz> and Fair Breakfast: <http://www.ferovasnidane.cz>

²⁶ Annual growth by 5 million CZK was established e.g. in the *FDC Plan for 2009* (Gov. resolution no. 680/2008).

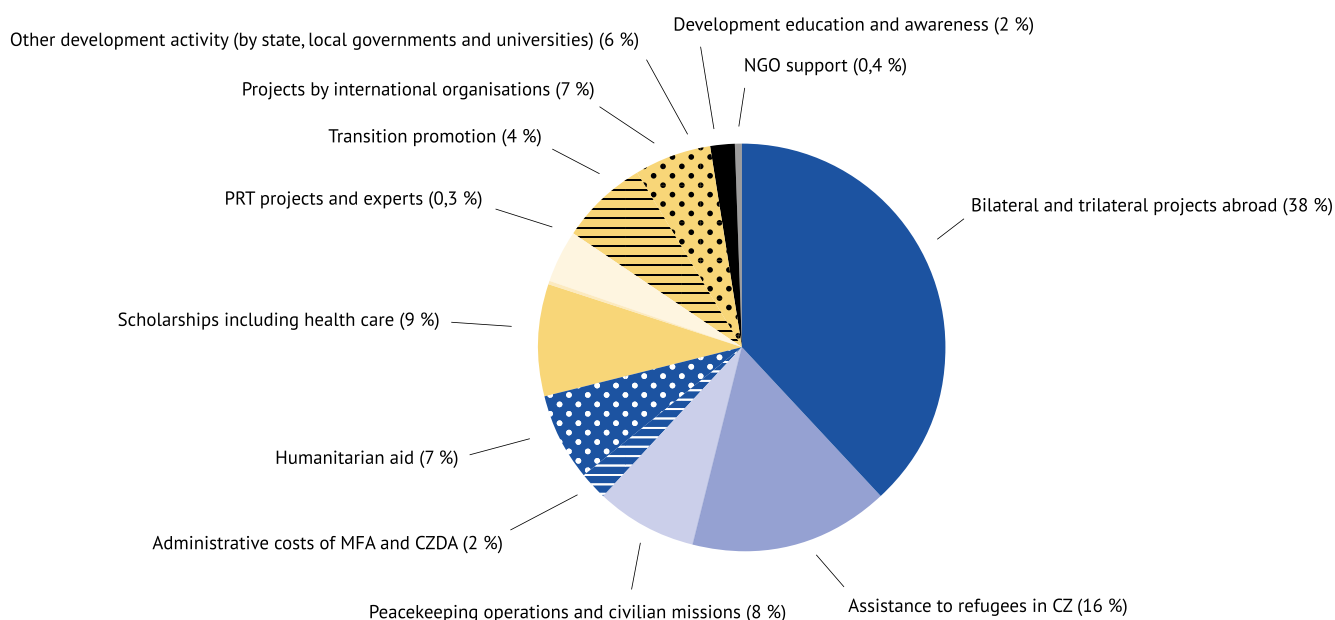
²⁷ See FoRS (2013): *Humanitarian aid of the Czech Republic: Ten years from the view of NGOs*: <http://www.fors.cz/wp-content/uploads/2014/01/Humanitarni-pomoc-CR.pdf> and ECHO: http://ec.europa.eu/echo/files/funding/agreements/agreements_2013.pdf

CHART 4: MODALITY OF CZECH BILATERAL DC ACCORDING TO ODA EXPENDITURES FOR 2012 AND 2013

2012



2013



Source: Own processing according to data of MFA on CZDC in 2012 and 2013

Impressive multiplication effect can be seen in trilateral development, educational and awareness-raising projects in the CR as well as in developing countries.

Thanks to them Czech NGOs and other subjects can apply for financing from other donors, mainly EU, participate in big project consortiums or realize their own projects with financing from abroad. Thus our DC can bring better results, improve development effectiveness and opportunity of applying Czech know-how and expertise. These projects also make the Czech Republic more visible as a small but substantial partner in development cooperation. According to the recent studies, since the adoption of the country in the EU in 2004, Czech NGOs have gained in the position of the project leader grants in total sum of at least 28 million EUR. (The total sum including also the projects in which Czech NGOs are in the position of a partner, and also the projects in Eastern neighbours of EU and in the Balkans, is even higher.) In the sphere of global development education and awareness it is almost 9.4 million EUR, in projects dealing with education, human rights, agricultural etc. in developing countries it is approx. 6.6 million EUR and in case of humanitarian aid about 12 million EUR. Czech NGOs are, as regards the number of grants and volume of funds, at the top of EU13²⁸. Great merit in this leading position is attributed exactly to the existence of the subsidy program of trilateral cooperation.

On the program of government scholarships to students from developing countries for studies in the Czech public universities, 123 million CZK were assigned for 2013, but only 98.51 million CZK were actually spent (including the cost of health care). Under-drawing of assigned money for scholarships is a long-term trend in the CZDC. Selection of countries and assigning of quotas of the numbers of students, which is not sufficiently transparent, remains to be a problem. According to FoRS, the financing of the program should be based on funds actually spent in the preceding period and continuous evaluating of its contribution. Thus released funds could be used, beside the current use on scholarships for refugees and people afflicted by conflicts in their home countries, also for financing of higher number of students or even other assistance modalities – especially on development projects, including trilateral, which lack necessary financing. In harmony with the principles of partnership it would be suitable **to shift the focus of the new program of sending Czech teachers to developing countries in the direction of mutual exchange of experience and building specialized capacities of tertiary education** in developing countries. Its increasing is a good counterweight to the decreasing of the scholarship program.

28 Study: *A Decade of EU13 CSO Participation in EC DEAR Projects*, June 2014, *A Decade of EU13 CSO Participation in EC Development Cooperation Projects*, July 2014, and *A Decade of EU13 CSO Participation in European Humanitarian Actions*, August 2014, TRIALOG: <http://www.trialog.or.at/studies-list>

6.

COUNTRIES AND SECTORS: ATTEMPT AT HIGHER CONCENTRATION UNFULFILLED YET

TOO MANY PRIORITY COUNTRIES AND SECTORS – MORE ATTENTION FOR THE POOREST COUNTRIES – CZECH ADDED VALUE – EXPERTISE AND TRANSITION EXPERIENCE

A little over one half (52 %) of The Czech bilateral ODA (575 million CZK altogether) goes primarily to 14 priority countries appointed in the DC Strategy. Compared to 2012 this means a decline and fragmentation of CZDC. It is worth noticing that among the top ten biggest beneficiaries of bilateral ODA, the non-priority Ukraine has also been appearing for a long time beside the priority countries. In 2013 it was joined also by Syria because of its humanitarian crisis. Besides that, DC carries out projects of transition promotion in another 22 countries (for development of civil society, independent media and local self-government), humanitarian aid or technical assistance of the Finance Ministry.

The list of priority countries of CZDC has been adjusted in 2014 on the basis of mid-term evaluation of the DC Strategy and of the development of situation in the Ukraine. The planned cut in the number of priority countries is a positive step, with regard to the small scale of the Czech DC.

BOX 4: CZECH DC PRIORITY COUNTRIES ACCORDING TO THE CZECH DC STRATEGY 2010-2017 AND AFTER ITS MID-TERM REVIEW²⁹

- **Program countries with cooperation programs:** Afghanistan (DC will be ended gradually), Bosnia and Herzegovina, Ethiopia, Moldavia (DC will be reinforced according to the development in the Ukraine), Mongolia (DC to be ended by 2017).
- **Project countries without a cooperation program:** Georgia (DC will be reinforced according to the development in the Ukraine), Cambodia, Kosovo, Palestinian Autonomous Region, Serbia (DC to be ended by 2017).
- **Phase-out countries with limited scope of cooperation³⁰:** Angola, Yemen, Vietnam (in all these three countries big bilateral projects of DC have already ended), Zambia (reinforcing of DC, possible shift to project countries after 2017).

In 2013, 237 million CZK of the Czech DC³¹ was directed to the least developed countries (LDCs), that is roughly 20 % of bilateral development cooperation. Of this amount, more than 70 % went to three priority countries – Afghanistan, Ethiopia and Cambodia. However, the share of LDCs on total bilateral ODA has declined by 10 %, compared to 2012, as a result of ending the mission of Czech Provincial Reconstruction Team in Logar in Afghanistan. Another decline of the share of LDCs can be expected from 2014 due to the changes of priority countries

²⁹ MFA (2010): Czech DC Strategy for 2010 – 2017 and MFA (2014): Mid-term review of the Czech DC Strategy for 2010–2017.

³⁰ These countries ranked among the priority countries of CZDC before 2010, but in the DC Strategy for 2010-2017 did not figure among the priority countries. Cooperation is thus gradually phased-out in these countries until 2017.

³¹ Of priority countries of CZDC the following are LDCs: Afghanistan, Ethiopia, Cambodia, Zambia, Yemen, Angola; of non-priority countries it is Myanmar, the Sudan and Zimbabwe.

after the DC Strategy review. It seems evident that Czech DC will concentrate more on countries neighbouring with EU, ranking among middle-income countries (MICs), as corresponds to Czech foreign policy priorities and transition experience.

BOX 5: IMPRINT OF CZECH FOREIGN DEVELOPMENT COOPERATION IN THE WORLD³²

- Every year hundreds of development projects are implemented, financed by the sum of approx. 450 million CZK, from Czech budget in dozens of countries in the world.
- Czech NGOs realized projects in 69 countries in 2013³³.
- Czech support of Kosovo inhabitants with hearing and vision handicaps markedly increases their chances of finding a job.
- In Zambia the Czech Republic supports education of socially disadvantaged young people and children without families.
- Czech project for improving the quality and access to health and social services of home care in Moldavia contributed to approval of the National Standard for providing home medical care and recognizing the claim for financing home care from public health insurance.
- The Czech Republic helped to modernize the biggest power station in Ulanbatar, covering approximately 70 % of electricity consumption in Mongolia.
- The Czech Republic is the biggest partner of Tugland region protected landscape area in Georgia, where it helps in the sphere of environment protection, use of solar energy, access to health care and tourism development.
- Home bio-gas stations financed from Czech DC enabled more than 10 000 inhabitants in Cambodia to use renewable sources of energy.
- Experts from State Veterinary Institute of Bosnia and Herzegovina participate in training and certification of Bosnian laboratories for export of agricultural products to EU market in the frame of a project jointly supported by Czech, American and Swedish development agency.

However, according to FoRS, the Czech Republic should keep or even raise its support of LDCs, particularly in sub-Saharan Africa, where more than 70 % of the poorest countries are found³⁴. For these countries ODA is of principal importance, as it often represents the only external source for starting-up of growth and financing development, especially for the most vulnerable groups of population. The ability of these countries to attract foreign investment and create local sources from tax revenue is still limited³⁵. Moreover, donor countries pledged on UN ground to direct from 0.15 to 0.25 of GNI for the support of these countries. Only one tenth of Czech bilateral ODA has been directed constantly to sub-Saharan Africa in the past four years, while it is full one third to European countries. Yet Africa is preferred as a priority continent even according to the views of Czech public³⁶.

³² See MFA (2014): Information on FDC CR for 2013, CZDA: <http://www.czda.cz> and FoRS: <http://www.ceskapomoc.cz>.

³³ Projects of Czech development and humanitarian NGOs are mapped by server Česká pomoc: <http://www.ceskapomoc.cz>

³⁴ OECD DAC list of countries regarded as beneficiaries of development aid for 2012 and 2013 see <http://www.oecd.org/dac/stats/DAC%20List%20used%20for%202012%20and%202013%20flows.pdf>

³⁵ On the topic of ODA in LDCs see e.g. OECD DAC (2014): *Targeting ODA Towards Countries in the Greatest Need*: <http://www.oecd.org/dac/stats/DAC%20List%20used%20for%202012%20and%202013%20flows.pdf>

³⁶ See FoRS, NMS Market Research (2014): *Final Report from the survey Attitude to development cooperation and humanitarian assistance*.

TABLE 1: TEN BIGGEST BENEFICIARIES OF CZECH BILATERAL ODA AND THEIR CLASSIFICATION ACORDING TO INCOME

Rank	2010		2011		2012		2013	
	Country	Mil CZK	Country	Mil CZK	Country	Mil CZK	Country	Mil CZK
1	Afghanistan (LDC)	252,99	Afghanistan (LDC)	200,76	Afghanistan (LDC)	248,11	Moldavia (MIC)	83,91
2	Mongolia (MIC)	128,98	Mongolia (MIC)	82,88	Moldavia (MIC)	95,35	Mongolia (MIC)	74,71
3	Moldavia (MIC)	75,75	Moldavia (MIC)	75,64	Mongolia (MIC)	79,36	Afghanistan (LDC)	74,13
4	Georgia (MIC)	74,22	Bosnia and Herzegovina* (MIC)	63,27	Bosnia and Herzegovina* (MIC)	61,87	Ethiopia (LDC)	70,22
5	Serbia* (MIC)	68,30	Serbia* (MIC)	56,37	Ethiopia (LDC)	60,62	Bosnia and Herzegovina* (MIC)	69,24
6	Kosovo (MIC)	67,16	Ukraine (MIC)	53,55	Georgia (MIC)	51,35	Georgia (MIC)	57,70
7	Bosnia and Herzegovina (MIC)	59,15	Ethiopia (LDC)	51,78	Ukraine (MIC)	49,63	Ukraine (MIC)	54,45
8	Ukraine (MIC)	57,43	Georgia (MIC)	36,23	Serbia* (MIC)	46,49	Serbia* (MIC)	31,59
9	Haiti (LDC)	52,85	Belarus* (MIC)	31,46	Kosovo (MIC)	44,18	Syria (MIC)	29,70
10	Vietnam (LIC)	45,03	Palestina (MIC)	31,10	Palestina (MIC)	32,82	Vietnam (MIC)	28,96

LDC – least developed countries

LIC – low income countries

MIC – middle income countries, MIC marked with * fall into countries with higher middle income, the remaining MIC countries fall into lower middle income countries

Source: MFA (2014): Statistic supplement of ODA CZ for 2013

Czech DC finances most these sectors: water supply and sanitation, agriculture, education, social services, power industry, healthcare, building of state administration and support of citizen society, i.e. those, in which it disposes with sufficient expertise and capacity and in which it can apply its experience from transformation cooperation.

At the same time it is necessary that “hard” projects (e.g. supplies of technologies, building of infrastructure etc.) are accompanied by “soft” complementary activities (such as public awareness, business plan preparation, specialized education of staff etc.)³⁷.

³⁷ See Korner, Píbilová for FoRS (2013): *Sustainability of Czech projects of foreign development cooperation*: http://www.fors.cz/wp-content/uploads/2014/04/sustainability-web-FINAL_CZ2.pdf and Bendová for Rozvojovka (2013): *Soft aspects of development cooperation*: http://www.rozvojovka.cz/download/docs/221_rozvojovka-mekke-aspekty-rs-v3-web-1.pdf

7. IMPLEMENTERS OF DEVELOPMENT PROJECTS: NGOS AND COMPANIES ARE IN THE LEAD

SUPPORT OF INTER-SECTOR COOPERATION IS NEEDED – ALL ACTORS SHOULD FOLLOW PRINCIPLES OF DEVELOPMENT EFFECTIVENESS

NGOs and companies participate in implementation of Czech development projects in a similar extent.

From the view of spent finances, NGOs draw 39 % of total finances on development projects of bilateral ODA. Entrepreneurs implement almost 36 %, universities and academic institutions 6 %, state bodies and local self-government over 6 %. The result of the already mentioned survey shows that almost one half of the Czech population perceives NGOs as the foremost implementer of the development projects. State institutions and universities have ranked after them and commercial subjects at the end with 6 %³⁸.

Most projects are announced in the form of public tenders, in which supplies are provided mainly by companies. NGOs make use mainly of grants, in which however they have the condition of securing a part of the financing from other sources than CZDC.

Effective development cooperation cannot exist without inter-sector partnerships of entities from public, non-governmental and private sectors alike. Despite the proclaimed importance, Czech DC has not approached yet systematically to the support of joint projects of NGOs and companies and other entities.

In 2013 the **Program of development-economic partnership** was launched (called also “B2B” – business to business), aimed at the support of cooperation of Czech business entities with local partners in developing countries, which would use transfer of knowledge and technologies. In its pilot stage in 2013 and with 1 million CZK budget it however has not met with bigger interest from the side of Czech companies. In the end four projects were implemented in Ethiopia and Serbia. For 2014 this program with 3 million CZK budget was spread to all priority countries. Of the 38 projects, 21 received support for implementation in 2014.

Private sector is an important player in development as a source of job opportunities, incomes (including tax revenues), new investment, transfer of know-how and building of capacities of the partner country and local communities. Engagement of entrepreneurial entities, as well as other development actors, must however, according to FoRS, take place both in accord with DC principles (support of human rights and gender equality, protection of environment and climate, support of good governance), and in accord with principles of development effectiveness, such as ownership, transparency and mutual responsibility. Private sector should in no case substitute the role of state in administration of public properties, to which citizens should have secured equal access, regardless their socio-economic status, and the accessibility of which should not depend on the condition of maximum possible profit-making. All participating actors should also support responsible production and sustainable consumption.

38 FoRS, NMS Market Research (2014): *Final Report from the survey Attitude to development cooperation and humanitarian aid.*

CONCLUSION: NEW POST-2015 DEVELOPMENT AGENDA WILL PUT THE CZECH REPUBLIC ON COURSE AS WELL

International negotiations about new development agenda after 2015 indicate that it will not be possible without concurrent transformative change inside every country – both from the so-called global South and global North.

For the next decade or two a political framework will be established, which will gradually shift the priorities of governments, international organizations, donors, NGOs, companies and a number of other actors participating in the field of struggle against poverty and for sustainable development. The Czech Republic is not burdened with a colonial past or geopolitical interests of big countries, on the contrary it has a recent experience with both political and socio-economic transition, and therefore it should engage more in these global debates. Particularly so in multilateral forums, such as the EU, OECD DAC and UN.

RECOMMENDATIONS

TO CZECH LEGISLATORS AND THE GOVERNMENT:

- Adopt a political commitment and actively enforce coherence of (non-development) policies for development on the level of Council for DC, in the preparation and approving of laws and adopting positions within the EU;
- in medium-term horizon support achieving the level of financing of official development assistance (ODA) of 0.33 % GNI and adopt a binding plan how to reach it; increase financing of bilateral DC (especially for development projects and humanitarian aid);
- enforce an adequate contribution to Green Climatic Fund, which will mean sufficient funding above the frame of development assistance;
- prepare amendments of laws for the use of new DC modalities in harmony with Czech Republic's obligations to development effectiveness (such as e.g. delegated cooperation, financing of development projects on multiannual basis etc.);
- actively engage on the grounds of the EU, OECD and UN in international negotiations within a new framework of sustainable development after 2015 and for solution of humanitarian crises.

TO THE MINISTRY OF FOREIGN AFFAIRS:

- Implement the commitments of development effectiveness, including transparency, and join the International Aid Transparency Initiative (IATI) in 2015;
- insist that eradication of poverty and inequality stays in the centre of Czech development cooperation in the frame of the currently changing definition of official development aid in OECD DAC;
- target more ODA to the poorest people: a) direct 25 % ODA to LDCs³⁹; b) direct ODA in other countries to the most vulnerable groups of population, and thus contribute to decreasing of inequalities;
- gradually increase the budget for global development education and awareness, as well as the budget for trilateral projects, and thus support their multiplicative effect for DC;
- in engaging the private sector (as well as in case of other actors) into DC require application of principles development effectiveness, particularly the principle of mutual responsibility, transparency and ownership;
- ensure purposeful cooperation between development diplomats and CZDA for increasing of quality of program formulating and implementing according to the real needs of partner countries and target groups, and thus increase sustainability of the Czech projects;
- strengthen internal capacities of CZDA and personnel and expert capacities of diplomatic representations for development agenda.

³⁹ In the framework of discussion on the reform of development assistance a debate takes place in OECD DAC on the specific goal of ODA aiming to LDCs. OECD DAC (2014): *Development Finance: Achieving a Better Distribution of ODA – an Action Plan to Meet the UN Commitment of 0.15-0.20% of GNI as ODA to LDCs*, available at: <http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC%282014%2950&docLanguage=En>

TO THE CZECH DEVELOPMENT AGENCY:

- With regard to the limited volume of CZDC increase the share of projects with added value of the CZ as a donor (especially social, education and transformation projects);
- better interconnect various instruments of CZDC and projects into complex development solutions; either by more detailed preparation of programs in priority sectors, or by enabling realization of more long-term and flexible projects, including their interconnecting on the level of regions;
- enforce sustainability of development projects i.a. by making complex situation analysis of the problem at the stage of identification and formulation of project and by thorough monitoring of projects;
- increase personnel capacity and ensure purposeful cooperation between development diplomats and CZDA; in medium-term horizon create a net of CZDA permanent representatives in partner countries;
- increase transparency and improve access to information on development cooperation in accord with PWYF recommendations.

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