



BRIEFING PAPER

OFFICIAL DEVELOPMENT ASSISTANCE OF THE CZECH REPUBLIC IN 2011

Perspective of the non-governmental organisations joined together in FoRS – Czech Forum for Development Cooperation

Almost 20 years ago, the Czech Republic joined those developed countries that, through official development assistance (ODA), accept their share of responsibility and show interest in addressing long-term problems in the world and eradicating poverty in the context of sustainability. Having once been an aid recipient country, the Czech Republic has transformed into a donor, has abandoned the enrooted politically motivated model of aid provision, has adopted a law on development cooperation, and has been doing its best to spend its funds effectively. The Czech Republic is perceived as a country which shows solidarity and is capable of providing specific help, and it should present itself as a good donor and partner. The non-governmental organisations (NGOs) associated in FoRS – Czech Forum for Development Cooperation have been making a long-term effort to monitor and be involved in creating the Czech ODA system and in achieving the purpose and goals of ODA. Since 2008, FoRS has regularly been publishing a “Czech AidWatch report” evaluating the Czech ODA in the past year with the aim of spurring discussion with other state and non-state actors involved in ODA. This briefing paper is based on the AidWatch report for 2011 and proposes FoRS’s recommendations.

Czech ODA operating more effectively and more transparently

The ODA system of the Czech Republic has been undergoing a transformation since 2007, and this process is now close to being completed. To increase the system’s effectiveness, new procedures have been adopted. In 2011, **programmes of cooperation** with 4 of the 5 priority programme countries (Mongolia, Moldova, Bosnia and Herzegovina, and Ethiopia) were adopted. A new **Project Cycle Methodology** for bilateral ODA defines standard procedures and roles of individual actors. The **National Strategy for Global Development Education** determines a systematic approach to education advancing global responsibility. The **Strategy for Government Grants for Students from Developing Countries** sets the framework for granting scholarships.

The Ministry of Foreign Affairs of the Czech Republic (MFA) has been successful in fulfilling its role of the coordinator of the Czech Republic’s ODA and engaging other state and non-state actors in the preparation of strategic documents and in discussions related to the Czech development coordination.

In the first half of 2012, the Government of the Czech Republic approved the **revocation**, in 2013, of **the provisional exceptions to the transformation of those parts of Czech ODA managed by other Ministries** (the Ministries of Finance, Interior, and Industry and Trade). As a result, the **responsibilities, competencies and the aid budget** within the Czech Republic’s ODA will be effectively unified under the MFA.

The Ministry of Foreign Affairs and the Czech Development Agency (CZDA) have also successfully **increased transparency** and enabled better access to information on ODA of the Czech Republic. Statistical reporting has been harmonised with the methodology of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD/DAC), which enables better comparison with other donors. The way for the Czech Republic to finally join the International Aid Transparency Initiative (IATI) should be open.

Another positive step of 2011 was made by launching **evaluations of bilateral development projects**. The process of selection and execution of the evaluations is to be seen as transparent. The MFA and the CZDA also committed to using the results of the evaluations while planning cooperation with partner countries and strengthening the actual impact and sustainability of Czech bilateral development projects.

There has been some progress in **harmonising the impacts of trade, energy, agriculture, and development policies on developing countries** (Policy Coherence for Development). A working group for coherence was established at the Council for Development Cooperation, responsible for inter-ministerial coordination and for coherence of the goals and priorities of Czech ODA and other governmental policy tools. Agriculture was chosen as the working group’s pilot topic. However, Policy Coherence for Development has not yet become a principle taken into account in creating and fulfilling the Czech Republic’s policies.

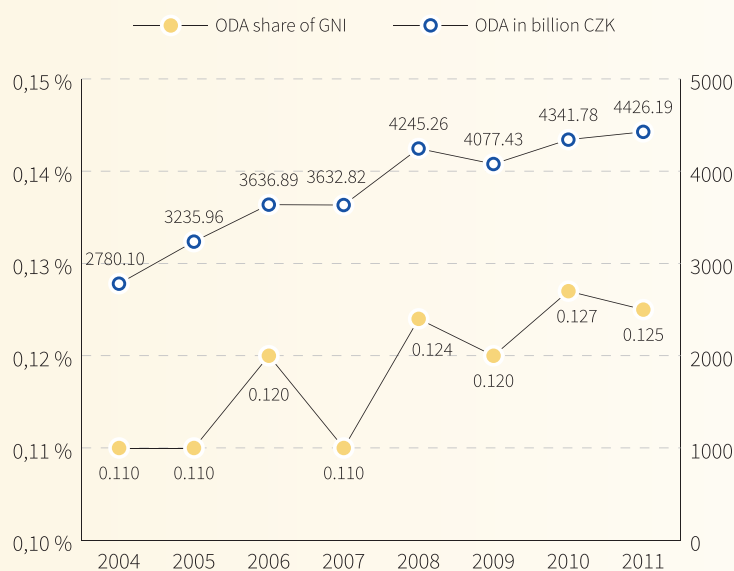
How much: ODA funds slightly increasing in absolute figures, but decreasing relatively

The volume of the Czech Republic’s Official Development Assistance mildly increased in 2011 (by nearly 2%) to **CZK 4.43 billion**, which can be regarded a favourable result, considering the present economic crisis and comparisons with other EU countries. The growth was due to an increase in **multilateral ODA**, the main portion of which is made up by contributions to the budgets of the European Union (EU) and international organisations, especially the United Nations agencies. In 2011, the **ODA/GNI (Gross National Income) ratio fell to 0.12% from 0.13% in 2010**. The Czech Republic is evidently still not meeting its international commitment, i.e. the amount of its ODA resources reaching 0.33% of GNI by 2015, and it has not drawn a plan to ensure a growth of the resources either.

Multilateral ODA exceeded CZK 3 billion and its substantial part (82%) was made up of a proportional percentage of obligatory contributions to the common EU budget. Since 2011, contributions to the European Development Fund are a new component of this aid. In contrast, the volume of **bilateral ODA** dropped by CZK

154 million to nearly CZK 1.4 billion, which affected most of its possible forms, including development projects in partner countries. An increase in resources for projects in the area of development education and awareness and for projects within trilateral cooperation is to be valued because the former help raise public awareness of global responsibility and the latter enable Czech NGOs and other actors to get involved in international projects funded by other donors, particularly by the European Commission (EC). **The ratio of multilateral cooperation to bilateral cooperation rose** compared to 2010, accounting for 69% of ODA. Government plans for the Czech Republic's ODA funding in 2013 and until 2015 show that the funds for bilateral projects will remain at about the same level as today, resulting in a growing proportion of multilateral ODA. FoRS, on the contrary, prefers a scenario where the proportion of bilateral ODA rises because, within bilateral cooperation, it is easier to influence the scope and impact of the funds spent, help the Czech Republic make a good name for itself, and strengthen public awareness.

Graph 1: Czech ODA and its share of GNI (2004-2011)



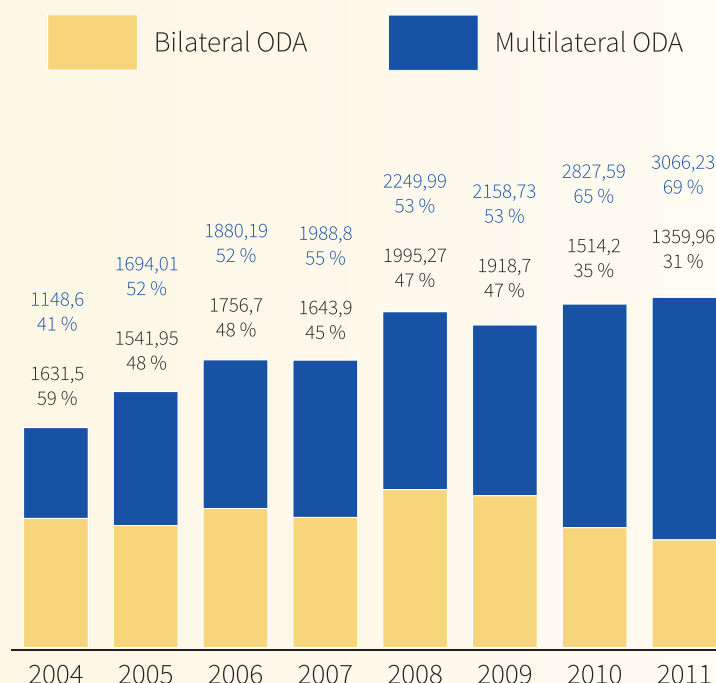
How: The quality of Czech ODA mildly improving

In 2012, for the first time, the European confederation CONCORD is using the methodology of *genuine aid* that primarily includes resources assigned to development activities to mitigate poverty and support the most vulnerable groups of people in developing countries. Items such as spending on refugees, part of government scholarship spending, and tied aid are deducted from official statistics. With ***genuine aid accounting for 93% of its total ODA*** in 2011, the Czech Republic is doing very well within the EU. However, the share of deducted aid in total ODA remained almost the same (7% compared to 8% in 2010) although the volume of inflated aid (mainly to refugee and scholarship spending) decreased. NGOs share the opinion that donor countries including the Czech Republic should avoid including inflated aid in their ODA statistics.

Where: Priority countries and Afghanistan in particular

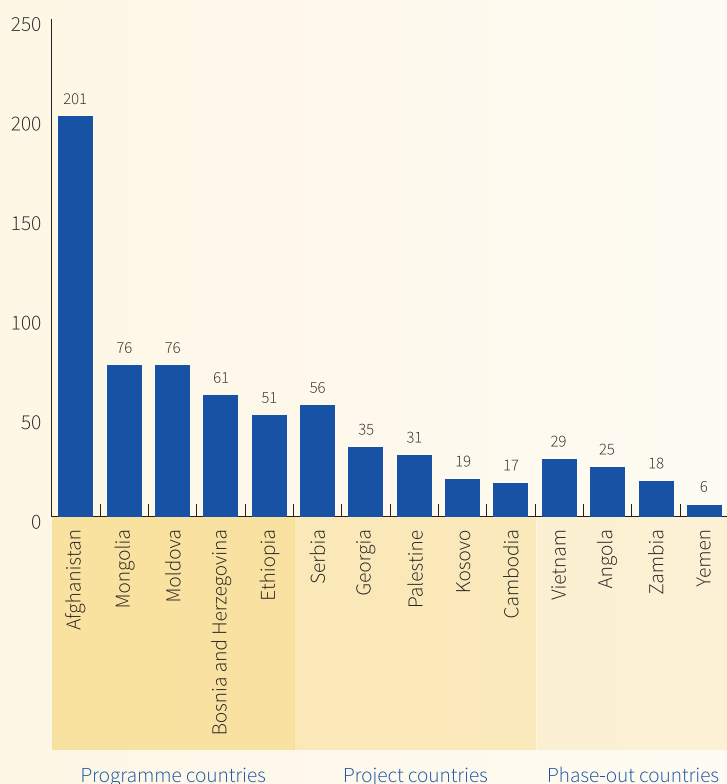
Unlike the past years, the Czech ODA now successfully focuses on a reduced number of countries, which improves its effectiveness. In 2011, **most funds for bilateral development projects** abroad went to the **priority countries of Czech ODA** (92% compared to 83% in 2010), the primary recipient being Afghanistan. Compared to 2010, the priority countries took more places on the list of the 15 main recipients, including all of the 5 programme countries, 4 project countries, and 3 phase-out countries where cooperation is planned to be terminated by 2015. Further on the list are also 3 priority countries in the Transformation Cooperation Programme which aims to support human rights and democracy. In addition, most countries saw an **increase in resources for development projects**, which means a positive development in relation to genuine aid.

Graph 2: Bilateral and multilateral ODA and its share of the total Czech ODA in 2004-2011 (in million CZK and %)



In 2011, **the largest volume of bilateral ODA** went to a **group of lower middle income countries** according to the OECD/DAC classification (particularly Mongolia, Moldova, and Georgia). The group of the world's **least developed countries** (e.g. Afghanistan, Ethiopia, Cambodia, and Angola within the context of Czech ODA), which should profit the most from development cooperation, was only second in terms of the volume of funds. Moreover, the amounts of bilateral ODA delivered by the Czech Republic to both of the groups sank.

Graph 3: Bilateral ODA in priority countries in 2011
(in million CZK)



What for: Sector of state administration and civil society plus non-priority sectors

The Czech Republic sends the **largest part of bilateral ODA to the sector of state administration and civil society support** in compliance with the priorities set by the ODA Strategy of the Czech Republic. However, support for refugees in the Czech Republic receives the second largest amount of funds, although this form of aid does not constitute a direct resource transfer to support developing countries, and consequently lowers the Czech Republic's *genuine aid*. There was also a decrease in resources for the priority education sector. A remarkable growth of resources was seen in the non-priority tourism sector (more than six times) and in unspecified multisectoral assistance (four times). In the case of the **priority programme countries with approved cooperation programmes** (Bosnia and Herzegovina, Ethiopia, Moldova, and Mongolia), **most resources were indeed spent on the priority sectors** determined by the programmes, and this trend is expected to continue. Nevertheless, the Czech Republic is still delivering aid in too many sectors (almost 20), and has not managed to cut the number of sectors down in line with the recommendations and agreements adopted at the EU level.

Key FoRS recommendations

To the Ministry of Finance, the Government of the Czech Republic, the Committee on Foreign Affairs of the Chamber of Deputies of the Parliament of the Czech Republic, and the Committee on Foreign Affairs, Defence and Security of the Senate of the Parliament:

- Ensure steady and predictable financing of the Czech Republic's ODA. As economic growth recovers, formulate a plan for later fulfilment of international financial commitments set for the period until 2015.

To the Council for Development Cooperation and the Ministry of Foreign Affairs:

- On a regular basis, assess the recommendations based on evaluations, identify measures to implement them in the next stages of the project cycle, and monitor their execution. Perform medium-term (meta)analyses of the overall evaluation of partial accomplishments and failures.
 - In order to improve policy coherence for development, evaluate, on a regular basis, existing accomplishments and continue identifying key problems, refining mechanisms for the MFA's internal coordination as well as its coordination with other Ministries, and primarily engaging other actors of the Czech ODA. In the following year spur debate about an internal or external mechanism (e.g. a system of indicators) for evaluating the impact of Czech policies on poor countries' sustainability.
 - Produce and publish position papers of the MFA/ the Council for Development Coordination on cross-cutting topics according to the ODA Strategy of the Czech Republic (i.e. good (democratic) governance; respect for the environment and the climate; respect for the basic human, economic, social and labour rights of project beneficiaries, including gender equality – gender issues).
 - Continue to promote coordination and information exchange with other donors (the EU, the Visegrad Group, etc.), and reflect gained experience and information in the Czech Republic's ODA.
 - Complete the Czech Republic's accession to IATI and finish introducing mechanisms for improving ODA transparency at the level of bilateral projects administered by the CZDA as well as of embassies and projects in the competence of the MFA and other Ministries..
- To the Czech Development Agency:**
- Improve the publication of indicative lists of tenders for subsidies for the following year and fully apply the tool of prior information notice to public contract awarding.
 - Publish documents upon which the awarding of public contracts is based.
 - Improve the publication, on its website, of project information in both Czech and English, e.g. post the outputs and outcomes of finished projects and the basic project logic of all projects, including those upon which the awarding of public contracts is based. Enable partner countries to access English versions of all relevant documents relating to the individual stages of the project cycle.

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- **DAC List of ODA Recipients.** Effective for reporting on 2011, 2012 and 2013 flows

Further sources can be found in the FoRS evaluation report on official development assistance of the Czech Republic in 2011 (available www.fors.cz).

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FoRS – Czech Forum for Development Cooperation – is a platform joining together over 50 non-governmental, non-profit entities that promote development cooperation, development education, and humanitarian aid. FoRS is a founding member of the European NGO Confederation for Relief and Development CONCORD.

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