

**THE DEVELOPMENT COOPERATION  
STRATEGY  
OF THE CZECH REPUBLIC  
2010–2017**

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# The Development Cooperation Strategy of the Czech Republic 2010–2017

Development cooperation is the “set of activities financed from the national budget aimed at contributing to the eradication of poverty, to economic and social development, to environmental protection, and to the promotion of democracy, human rights and good governance in developing countries”.<sup>1</sup>

## 1 Introduction

In 1995, the Czech Republic became the first transition country in Central and Eastern Europe to renew its government foreign aid programme.<sup>2</sup> The Czech Republic participated in development cooperation and relatively quickly settled into its role as an emerging donor country. It drew on its experience of political and economic transformation in the 1990s, when it learned how beneficial properly targeted help from other countries can be on the road towards a democratic society and a functioning market economy.

The Czech Republic has taken a number of key measures aimed at creating an effective system of development cooperation. These changes have transformed the Czech Republic into a donor country which, by tapping into its specific experience, contributes to the eradication of poverty and the fulfilment of the Millennium Development Goals (MDGs). As a Member State of the European Union (EU), the United Nations (UN) and Organization for Economic Cooperation and Development (OECD), the Czech Republic acknowledges its place in the developed world. It manifests solidarity with people in poor, underdeveloped countries, and understands that it should share responsibility in addressing global problems largely related to poverty.

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<sup>1</sup> Section 2, Act on Development Cooperation and Humanitarian Aid and Amending Related Laws

<sup>2</sup> Principles for the Provision of Development Cooperation (Government Resolution No 153/1995 of 15 March 1995)

## **2 Purpose of the Development Cooperation Strategy**

The Development Cooperation Strategy stands alongside the Act on Development Cooperation and Humanitarian Aid and the Principles for the Provision of Development Cooperation as one of the key strategic documents on development policy. The purpose of this Strategy is to integrate Czech development cooperation into the current foreign policy, economic, security, social, and environmental context, which has changed significantly since the last Strategy was adopted in 2002.

The start of the new millennium was a time of optimism and expectation. The Millennium Summit in 2000 set Millennium Development Goals to be implemented over a 15 year time frame, up to 2015. The Czech Republic, along with other developed countries, assumed a number of international development commitments in this period. Besides the MDGs, the main commitments concerned the Monterrey Consensus on Financing for Development (2002), the conclusions of the World Summit on Sustainable Development in Johannesburg (2002) and its Implementation Plan, the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008).

Since the beginning of the 21st century, problems associated with globalization have become much starker, with many people in developing countries experiencing the negative rather than positive impacts of this process. The uneven impacts of globalization also complicate international negotiations on trade and development issues, especially the Doha Development Agenda within the World Trade Organization (WTO), as well as EU trade and development relations with the developing world (post-Cotonou). In recent years, the role of the world's seven most developed countries plus Russia (G8) has diminished; in contrast, the influence of emerging economies (China, India, Brazil) has greatly increased and the format of the G20 has become stronger. The global security situation has also changed. After the attacks on September 11 2001, the fight against terrorism intensified significantly, and the international community became involved in security, political and economic stabilization in Iraq and Afghanistan. These efforts, resulting in the experience of the need to link military and civilian activities in the stabilization of conflict and post-conflict areas, poses new challenges in relation to development.

Since its accession to the EU in 2004, the Czech Republic has been engaged in the EU's development activities. At EU level, it has assumed further development-related commitments, in particular the European Consensus on Development (2005). In the first half of 2009, during its presidency of the EU, the Czech Republic set its own development policy priorities (including sustainable local energy sources and support for the Eastern Dimension of Development Policy), which are fully consistent with priorities and general trends in Czech foreign policy.

The financial and economic crisis of 2008–2009 has had an impact on both the perception of economic globalization and on development cooperation. As a result of the crisis, a decline in public and political support for development cooperation needs to be averted and efforts need to be made to avoid a reduction in the overall volume of aid provided to developing countries. For developed (i.e. donor) countries, the consequences of the crisis are most likely to be of a less serious nature. However, developing countries will probably suffer more, and longer, as they come to terms with the crisis – besides the temporary - but significant - restrictions on foreign direct investment, a decline in demand in developed countries for goods from developing countries, and a drop in remittances, they will have to address the issue of how to increase their resistance to external

economic shocks. Further difficulties in developing countries are raised by the substantial increase in food prices and instability in the prices of oil, energy and other commodities.

One of the main threats at this time, with wide environmental and social implications, is climate change. Its consequences – drought, desertification, floods, etc. – can be seen globally, regionally and locally, but underdeveloped states, small island developing states and African countries are the most vulnerable to them. It is conceivable that, in the near future, some developing countries will face more significant problems associated with climate change than ever before.

At the 15th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Copenhagen in December 2009, economically advanced countries, including the Czech Republic, undertook to promote measures to reduce greenhouse gas emissions (mitigation) and measures to adapt to climate change impacts (adaptation), as well as capacity building and technology transfer in developing countries (fast-start financing – FSF – for 2010–2012). The Czech Republic will pay due attention to the support of developing countries as they seek to combat climate change.

International negotiations on a new legally-binding agreement that addresses issues associated with climate change after 2012 include the provision of long-term funding for the period 2013–2020. Developed nations, including the Czech Republic, have pledged to provide developing countries with financial resources for mitigation and adaptation measures.

Czech development cooperation must respond effectively to global challenges. In light of this, the basic aims of Czech development cooperation and the principles for the provision thereof must be updated and the territorial and sectoral priorities adjusted. The new Strategy is also based on essential recommendations set out in the DAC Special Review.<sup>3</sup>

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<sup>3</sup> Development Cooperation of the Czech Republic – DAC Special Review of the Czech Republic, 2007

### 3 Development cooperation as part of foreign policy

#### 3.1 Objectives of the Czech Republic's development cooperation

Development cooperation is an integral part of the Czech Republic's foreign policy and contributes to the achievement of its objectives.<sup>4</sup> The reference point is the Millennium Development Goals. 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 Czech Republic is aware that aid alone is not enough – the key stimuli are: democratic forms of governance, sustainable economic growth, the integration of developing countries into international trade, social development and environmental care.

Through development cooperation, the Czech Republic helps to eradicate poverty in less developed parts of the world by means of sustainable socio-economic development. It also contributes to global security and stability, conflict prevention, the promotion of democracy, human rights and fundamental freedoms, and the rule of law. Development cooperation contributes to the development of political, economic, trade, environmental, cultural and scientific relations with partner countries.

#### 3.2 Principles of development cooperation

The principles of Czech development cooperation are based on the European Consensus on Development (2005), the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008). The Paris Declaration highlights the democratic ownership of the development process by developing countries, harmonization, alignment, managing aid for results and mutual accountability of donors and partner countries. Even more actual is the Accra Agenda for Action, which emphasizes the use of partner countries' administrative systems, an increase in the share of direct budget support provided in total development assistance, the division of labour among donor countries, the untying of aid, and multi-annual programming.

**Democratic ownership** of the development process by the developing countries themselves is a key aspect for the aid effectiveness. The Czech Republic's development policy is based on **partnership** with recipient countries. It is driven by demand from partner countries and by their needs, which are generally defined in national development strategies (e.g. Poverty Reduction Strategy Papers). In the forthcoming period, the Czech Republic will accentuate, more than ever, the involvement of local people (governments, elected representatives, civil society organizations) at all stages of the project cycle in order to strengthen ownership, and thus the effectiveness, of cooperation.

The Czech Republic, as far as it is able, will support the **strengthening of the systems** of partner countries and an **increase in the capacity** of their development participants so that they can play a more active role in formulating and implementing the development policies of their countries. The partnership principle is also related to mutual accountability – the Czech Republic, as a donor, and, similarly, partner countries, have a responsibility to the target groups for the outcomes and impacts

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<sup>4</sup> The important role played by development cooperation is also mentioned by the Sustainable Development Strategic Framework of the Czech Republic (Government Resolution No 37/2010 of 11 January 2010), specifically the passage devoted to Priority 5.3 "Improving preparedness to cope with the impact of global and other security threats and risks, and strengthening international ties"

of development programmes. In this context, the role of civil society and the different levels of representative democracy (from local governments to national parliaments) are important.

The Czech Republic has been involved in the donor community's efforts to coordinate its development policy and therefore to harmonize its development activities territorially and sectorally. The Czech Republic supports the implementation of the EU Council Conclusions on the EU Code of Conduct on Complementarity and Division of Labour.<sup>5</sup>

Czech development policy is **transparent**; it is open to public debate involving NGOs, businesses, academia and other stakeholders of civil society. Ongoing public awareness of the plans, projects and results of development cooperation helps to increase popular support for development cooperation.

### **3.3 Development cooperation during the validity of the of the previous Strategy, i.e. 2002-2007, and 2009**

In January 2002, the Government adopted the first Development Cooperation Strategy for 2002–2007,<sup>6</sup> which explained the objectives and principles of Czech development cooperation. The Strategy also listed 20 countries and the sectors where Czech aid was to be concentrated.

In 2004, new Principles of Development Cooperation after the Czech Republic's Accession to the EU<sup>7</sup> were adopted which largely preserved the current fragmented system of development cooperation, but also introduced several methodological changes, particularly an emphasis on a programme of cooperation with eight priority countries. In 2005, these principles were supplemented by Rules on the Selection and Financing of Development Cooperation Projects.<sup>8</sup>

This institutional and organizational framework was de facto still based on the system established in 1995 when the Government's foreign aid programme was restored, and it was evident that it no longer met the needs of effective development cooperation management or compliance with the Czech Republic's international commitments related to development cooperation. The main shortcomings were the unclear accountability, fragmentation, low visibility and support for development cooperation, and limited ability to respond to international commitments. In view of these shortcomings, in 2007 the Government adopted a key decision on the Transformation of the Development Cooperation System<sup>9</sup> in order to consolidate and improve the effectiveness of the current fragmented system.

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<sup>5</sup> EU Council Conclusions of 15 May 2007 – EU Code of Conduct on Complementarity and Division of Labour in Development Policy

<sup>6</sup> Overseas Development Assistance Strategy of the Czech Republic for the period 2002–2007 (Government Resolution No 91/2002 of 23 January 2002)

<sup>7</sup> Principles of Development Cooperation after the Czech Republic's Accession to the EU (Government Resolution No 302/2004 of 31 March 2004)

<sup>8</sup> Rules on the Selection and Funding of Development Cooperation Projects (Government Resolution No 1311/2005 of 12 October 2005)

<sup>9</sup> Transformation of the Development Cooperation System of the Czech Republic (Government Resolution No 1070/2007 of 19 September 2007)



The main objectives are:

- the consolidation of the development cooperation system by the gradual transfer of most projects to the Ministry of Foreign Affairs (MFA) for coordination
- the unification of the development cooperation budget and its inclusion in the MFA budget
- the preservation of the expert role of ministries by the establishment of the Council on Development Cooperation
- the strict separation of the strategic and implementation functions by the establishment of a government organizational unit (the Czech Development Agency – CDA)

In February 2007, the Czech Republic received an important impetus for transformation from the OECD/DAC as part of the Special Review of the Czech Republic's Development Cooperation (the Peer Review Process),<sup>10</sup> taking place on the initiative of the Czech Republic, which became the first of all the non-DAC OECD Member States to undergo the procedure. Its main objective was to share experience and knowledge of development cooperation reform at a time of important legal and institutional changes. The Czech Republic received further recommendations from the World Bank.

Besides the major decision to transform the development cooperation system at a time when the previous Strategy was still in force, the Czech Republic succeeded in taking a number of other important measures which contributed to the more effective and transparent provision of development cooperation. These measures were:

- *the adoption of the Act on Development Cooperation and Humanitarian Aid,<sup>11</sup> which clearly sets out the powers and competence of all entities involved in development cooperation, and also lays down some specific rules on the use of funds for various forms of development cooperation and humanitarian aid with a view to the more efficient use of funds from the national budget;*
- promotion of the inter-ministerial working group to the Council on Development Cooperation as a coordinating body as of 1 January 2008
- the establishment of the Czech Development Agency (CDA), which plays an implementing role in Czech development cooperation, as of 1 January 2008 in accordance with Government Resolution No 1070/2007 on transformation
- the creation of a separate unit within the Ministry of Foreign Affairs, i.e. the Department of Development Cooperation and Humanitarian Aid, in 2003
- the expansion of development cooperation to include the concept of transformation cooperation and its implementation in ten priority countries; the creation of a separate Transformation Cooperation Unit at the MFA (2004), which since 2007 has been part of the Department of Human Rights and Transformation Policy

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<sup>10</sup> Development Cooperation of the Czech Republic – DAC Special Review of the Czech Republic, 2007

<sup>11</sup> Act on development cooperation and humanitarian aid and amending related laws

- the preparation and implementation of the first cooperation programmes with eight partner countries (Angola, Bosnia and Herzegovina, Yemen, Moldova, Mongolia, Serbia, Vietnam, Zambia)
- the production of a Project Cycle Manual providing uniform methodology for the preparation, planning and management of development cooperation projects as a significant step towards the more effective and more transparent implementation of projects
- the establishment of a regular system of cooperation with the non-governmental sector, including funding for some of its development activities. Cooperation takes place both at the level of individual NGOs and in the Czech Forum for Development Cooperation (FoRS)
- intensification of cooperation with the private sector through the Business Platform for Development Cooperation
- the raising of public awareness about development cooperation, with the support of subsidy schemes and information activities by the MFA. The non-governmental and academic sector also deserves considerable credit for raising awareness about development cooperation

Despite the undeniable positive steps, however, certain negative elements persisted which had had an adverse effect on the efficiency of Czech development cooperation, in particular:

- the large number of programme countries
- imprecisely defined sectoral priorities
- the inadequate fixing of multi-annual financing

The present Strategy seeks to fully exploit the opportunities created by the unification of the development system following the transformation and the adoption of the Act of Development Cooperation and Humanitarian Aid. It strives to deepen understanding of development cooperation as an instrument of foreign policy with security, economic, environmental, social and migration aspects, as well as the effective application of the specific experience and skills of the Czech Republic (e.g. in connection with the transformation of society and the promotion of human rights and democracy), and broader use of ties between the development cooperation of the Czech Republic and the EU.

## **4 Forms of development cooperation**

The Czech Republic provides development cooperation on a bilateral and multilateral basis. In view of the Czech Republic's contribution to the EU and EDF budget, in the upcoming period multilateral aid will evidently continue to prevail.

### **4.1 Bilateral development cooperation**

The bilateral form of assistance (besides the efforts to improve living conditions in a given country) is of great importance in building the capacity of Czech development cooperation and applying it internationally. Bilateral projects carried out by Czech entities play an important role in increasing support for development cooperation because their results are clearly visible to the Czech public.

#### **4.1.1 Territorial priorities**

##### **A) Evaluation of the Czech Republic's development cooperation with current priority countries**

When the previous Strategy was in force, the territorial fragmentation of Czech development cooperation, which had severely diminished its effectiveness, was substantially reduced. The Strategy adopted in 2002 identified 20 countries on which development cooperation funds were to be primarily focused. Nevertheless, this list proved to be too long, and so in 2004 eight priority countries were selected (Angola, Bosnia and Herzegovina, Yemen, Moldova, Mongolia, Serbia, Vietnam, Zambia). This selection was based on four criteria (the level of need in the partner country; the readiness of the country to receive assistance; the intensity of the development cooperation relationship at present and in the past; the presence of a Czech mission in the country). In accordance with the standard practice of donor countries, comprehensive programmes of cooperation were drawn up with the priority countries' governments.

However, subsequent experience showed that even 8 programme countries was too much of a burden for the Czech Republic's financial and human capacities. This was confirmed by the recommendations of the OECD/DAC<sup>12</sup> and the World Bank. It is also clear that launching development cooperation in a newly selected country where there are currently no major Czech development activities in progress would be very difficult.

The establishment of new territorial priorities was preceded by a careful evaluation of existing development cooperation with priority countries in terms of needs, efficiency, sustainability and benefits for the recipient country, as well as the sectoral and thematic content of the programme. An important part of this analysis was an assessment of the partner country's approach and the level of cooperation with government bodies and institutions (locally and centrally). Particular attention was also paid to the Czech Republic position in the donor community in the respective country, the use of the Czech Republic's comparative advantages, and the overall level of complementarity and coordination between donors.

##### **B) Criteria for the selection of territorial priorities for the upcoming period**

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<sup>12</sup> Development Cooperation of the Czech Republic – DAC Special Review of the Czech Republic, 2007, p. 14

In the selection of territorial priorities for the forthcoming period, four criteria were applied, which are detailed below. The order in which they are presented is no indication of the importance of the criteria because their weight would be difficult to quantify. The criteria are interrelated and it would be impossible to draw up or infer any hierarchy. All four criteria are reflected in the selection of priority countries for the upcoming period:

➤ Bilateral and development relations with the Czech Republic

Development Cooperation is an integral part of Czech foreign policy. The past period has shown that intensive bilateral relations are the key to the effective implementation of a cooperation programme with a priority country. A country's good starting position allows the Czech Republic to make better use of its comparative advantages in favour of the partner country. Intensive bilateral relations are highly important for donor coordination in a country. Under this criterion, special emphasis will be placed on the results of evaluations of projects undertaken by the Czech Republic in the relevant partner countries.

The presence of Czech missions in a particular country has been shown to be essential: in the absence of resident diplomatic representation, the effectiveness of development cooperation is severely diminished.

➤ The need for development cooperation from the partner country (the level of socio-economic development)

In keeping with its convictions and international commitments, the Czech Republic wants to pay significant attention to the fight against poverty. Without a clear focus on underdeveloped countries, Czech development cooperation would lose its credibility. The degree of need in partner countries can be assessed by various indicators.

- A concise and widely used indicator is the categorization of countries compiled by the OECD/DAC according to gross national income (GNI).<sup>13</sup>
- An important indicator of need is the human development index compiled by the UNDP,<sup>14</sup> which includes a series of incremental socio-economic indicators such as life expectancy, literacy rate, and infant and child mortality rates.

➤ Readiness of a country to accept assistance

Czech development cooperation is built on the principle of partnership and is derived from the needs of a particular country. A successful development cooperation programme can be realized only in a country that is actively trying to manage its problems. The main indicator of a country's readiness to accept development cooperation is the existence of a strategy document for poverty reduction and long-term sustainable development (*Poverty Reduction Strategy Paper* -

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<sup>13</sup> Categorization of ODA recipient countries by Gross National Income (GNI) per capita in 2007:  
LDC – Least Developed Countries , OLIC – Other Low Income Countries (per capita GNI of less than USD 935),  
LMIC – Lower Middle Income Countries and Territories (per capita GNI of USD 936–3,705),  
UMIC – Upper Middle Income Countries and Territories (per capita GNI of USD 3,706–11,455)

<sup>14</sup> Human Development Report, UNDP, 2009

PRSP) or similar documents (e.g. national development plans, sustainable development strategies, strategic plans and action programmes in different sectors).

In light of its specific socio-economic developments, the developing world cannot be expected to have exactly the same democratic structure of society as in economically advanced countries. The selected criteria largely reflect the state of good governance in a partner country. Promoting good governance is therefore a cross-cutting principle of Czech development cooperation. As the selected criteria are difficult to measure, they are regarded as auxiliary factors:

- The indicator of the level of corruption – the “Corruption Perceptions Index” (CPI) by Transparency International
- The level of respect for human rights and fundamental freedoms according to the Freedom House ranking – an assessment of the level of political rights and civil liberties, indicating the overall state of political freedom in a country.
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- Consideration of the division of labour with other donors

An important criterion in the selection of territorial priorities is the Czech Republic’s standing among other donors in a country. In this regard, a useful indicator is the ratio of ODA per capita.<sup>15</sup>

The Czech Republic endorses international commitments on donor harmonization, notably the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action and the EU Council’s Conclusions on complementarity and division of labour in EU development cooperation.<sup>16</sup> In line with these political commitments, the Czech Republic is striving, as far as its capacity allows, to carve out a high profile in a number of priority countries, specifically in those sectors in which it has comparative advantages and can contribute to donor coordination in those countries and to the harmonization of donor community activities with the decisions of partner governments. On this basis, in October 2009, the Czech Republic assumed the role of EU supporting facilitator in Moldova and Mongolia.

### **C) Territorial priorities of Czech development cooperation**

In determining the territorial priorities of development cooperation for the forthcoming period, the Czech Republic:

- evaluated its existing programme collaboration with the eight priority countries
- took into account experience from the period of the previous programme and the recommendations of the OECD/DAC and the World Bank, resulting in a reduction in the number of priority countries
- opted for a balanced approach between development cooperation as a means to eradicate poverty and meet other MDGs (see the representation of underdeveloped countries and the African continent) and development cooperation as an integral part of Czech foreign policy
- took into account the comparative advantages of the Czech Republic

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<sup>15</sup> Human Development Report, UNDP, 2009

<sup>16</sup> EU Council Conclusions of 15 May 2007 – EU Code of Conduct on Complementarity and Division of Labour in Development Policy

- reflected the recommendation of the OECD/DAC to “identify and use broader development criteria leading to a more balanced list of priority countries”<sup>17</sup>
- selected an appropriate geographic distribution of priority countries – in addition to the Czech Republic’s traditional countries of priority interest in its close proximity, sub-Saharan Africa and Asia have also been included
- took into account the above criteria for the selection of the territorial priorities of Czech development cooperation
- took into account the Government’s decision (Government Resolution No 1296/2009) to close certain missions (Harare, Luanda)

Following on from the analysis summarized in the points above, it was decided to channel the Czech Republic’s development cooperation into two groups of countries:

➤ **Priority countries with a cooperation programme (“programme countries”):**

- **Afghanistan** – this is a special security-development priority. The Czech Republic has long supported the Afghan government’s efforts towards political security and economic stabilization. The implementation of standard development assistance requires improvements in the security situation. Until then, it will be specifically substituted by development activities carried out through the Provincial Reconstruction Team (PRT) in Logar Province.
- **Bosnia and Herzegovina** – the development cooperation programme with this country – a priority of Czech foreign policy - will continue in the forthcoming period. In a break with the past, the cooperation programme will now place more emphasis on the country’s transformation and integration needs in its preparation for EU membership. BiH numbers one of the priority transformation cooperation countries. Czech development cooperation will focus on sharing experience and providing assistance in capacity building for accession negotiations and subsequent membership of the EU, the adaptation of legislation, and technical assistance. Projects will be implemented in the fields of environment, agriculture and economic development (including energy).
- **Ethiopia** – by including an African country, one of the least developed (LDC), among its priorities, the Czech Republic is showing its commitment to the Millennium Development Goals (MDGs). In Ethiopia, there is an opportunity to build on a relatively rich tradition of mutual relations and the ongoing activities of certain Czech entities. There is great potential for Czech nongovernmental organizations and businesses. There are also interesting prospects for cooperation with the EU and the possibility of complementarity between humanitarian aid and development cooperation. In view of the size of Ethiopia, it is necessary to concentrate projects in a certain region; coordination with other donors is also essential. Sectors where the Czech Republic could make an impact include the environment, social development (including education, health and social services) and agriculture. Particular attention will be paid to cross-cutting themes.

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<sup>17</sup> Development Cooperation of the Czech Republic – DAC Special Review of the Czech Republic, 2007, p. 14

- **Moldova** – the Czech Republic will build on its existing successful cooperation programme. Czech development assistance in Moldova is highly rated and well received; the projects are of a high standard. It is appropriately targeted primarily at the environment, agriculture and social development (including education, social and health services). The Czech Republic is also well respected within the donor community and has signed up for the role of EU supporting facilitator, which has the will and ability to coordinate donors with each other and with partner governments. In the forthcoming period, particular attention should be paid to the transfer of the Czech Republic's experience of political and economic transformation. Development cooperation with Moldova is well interconnected with other activities/aspects of the foreign policy of the Czech Republic (the Transformation Cooperation Programme, the Eastern Partnership).
- **Mongolia** – the cooperation programme will continue. The Czech Republic's development cooperation is highly rated and well received; there is potential for secondary benefits (the development of mutually beneficial economic relations). The sectors selected – the environment, agriculture, social development (including education, social and health services), and economic development (including energy) – are in line with the country's needs; the projects are of a high quality.

Building on the Development Cooperation Strategy, in close collaboration with partners from recipient countries (both governmental and non-governmental) comprehensive **programmes of cooperation** will be developed with each programme country, based on national development strategies.

➤ **Priority countries without a cooperation programme:**

In addition to priority countries with a cooperation programme, in the forthcoming period Czech development assistance will also be provided to other countries in which greater Czech development activities are needed and desirable in the medium term. Cooperation will be based on projects which, while essentially freestanding, will largely form an integrated, coherent whole, and will follow up on the Czech Republic's other bilateral and multilateral activities in the given country.

a) **Project countries:**

- **Georgia** - building on its provision of emergency reconstruction aid funding following the armed conflict in 2008 and on the Czech Republic's foreign policy interests, development activities will continue in this country, which is also a priority transformation cooperation country and is included in the Eastern Partnership.
- **Cambodia** – sound bilateral relations are a prerequisite for effective development cooperation, which will be provided following the settlement of Cambodia's debt. The Czech Republic will focus on social development (including education, social and health services) and the environment.

- **Kosovo** – in line with its overall operations in the Balkans, the Czech Republic will continue to participate in development activities in this country, particularly in the sectors of social and economic development. Kosovo also numbers one of the priority transformation cooperation countries.
- **Palestinian Autonomous Territories (PAT)** – for foreign policy reasons, it is important to implement development projects in the PAT which build on the emergency reconstruction aid granted in 2008 and which focus on the Czech Republic’s sectoral priorities – economic development (particularly energy) and the environment (especially water management).
- **Serbia** – considering the current positive developments in Serbia and the specific nature of bilateral relations, cooperation will progress from a typically development-orientated assistance to EU pre-accession assistance. At the same time, projects will continue in sectors where Czech development assistance proved most useful in the previous period, namely the environment, economic development and social development. Particular emphasis will be placed on the transfer of the Czech Republic’s experience of the process of economic transformation and technological know-how. Projects within the scope of public private partnerships (PPP) could be an appropriate form of this. Serbia numbers one of the priority transformation cooperation countries.

b) Countries in which cooperation will continue, but with a different focus to the one previously

A very specific group of countries comprises those in which cooperation will continue to an extent but with a focus different from that in the previous period of the programme. The Czech Republic, as a responsible donor, must take the steps necessary to ensure the sustainability of ongoing and ending projects. Therefore, when this Strategy is initially rolled out (the first 2-3 years), funds will be set aside each year in the Development Cooperation Plan for the coming year that will allow individuals implementing projects and the Czech Republic, as the donor, to reliably round off development activities in the partner country. A suitable tool for this stage could be so-called local small scale projects managed by the relevant Czech mission or projects of economic diplomacy.

- **Angola** – the pro-export orientation of cooperation and the implementation of individual projects by nongovernmental organizations in the current priority sectors – particularly agriculture and social development (including education, social and health services) are recommended.
- **Yemen** – the Czech Republic is a member country of the relatively narrow group “Friends of Yemen”, which aims to assist the Yemeni government in the necessary economic and social reforms. In light of its current activities and general sectoral priorities, the Czech Republic will focus mainly on the sectors of agriculture and social development (including education, social and health services).
- **Vietnam** – this country will remain an important partner of Czech development cooperation; existing projects will continue and in relevant cases new projects will be drawn up which will inherently correspond to the improved quality of mutual economic cooperation. Activities in the proven environmental sector (particularly the removal of environmental hazards) might be considered, including via international organizations or in



the form of public private partnerships (PPPs) if the recipient is interested. Individual projects by NGOs can also continue.

- **Zambia** – it will be possible to build on existing activities, particularly by NGOs, especially in the priority sector of social development (including education, social and health services). The Czech Republic will continue to focus its development assistance on the Western Province, in which it has managed to develop a significant status.

#### **4.1.2 Sectoral priorities and cross-cutting principles of Czech development cooperation**

##### **A) Sectoral priorities**

In the Special Review of the Czech Republic's development cooperation in 2007, the OECD/DAC made the recommendation to the Czech Republic to "reassess its sectoral and thematic orientation with a view to concentrating on areas in which the Czech Republic has a clear comparative advantage and value added".<sup>18</sup> The newly established sectoral priorities take into account experience from the previous period and are based on the Czech Republic's comparative advantages. One area is its experience of the process of political, economic and social transformation.

The sectoral priorities also reflect the broad priorities of the international community, especially the fundamental document in this area: the Millennium Development Goals (MDGs). Not least, they take into account the process of the division of labour with other donors. Projects within each sector should be interrelated as much as possible to ensure a synergistic multiplier effect. Some sectors are more suited to support in the form of multilateral engagement, such as through contributions and active work in international organizations.

After considering this backdrop, it was decided to concentrate Czech development cooperation on the following priority sectors:

##### ➤ **Environment**

The Czech Republic has practical, transferable experience of qualitative improvements in the environment, and of the introduction and implementation of environmental law and policy. This experience can be applied in countries with a developing system of environmental protection which have been affected by the adverse effects of damaged environment and related risks. Czech development activities will contribute to the objectives of international conventions and the Millennium Development Goals (especially MDG 7: Ensuring environmental sustainability), will have a positive impact on human health and will be consistent with the principles of sustainable development.

Taking into account its existing capacities, comparative advantages and experience in the field of environmental protection, the Czech Republic will mainly focus on: water supply and water resource protection; the elimination of environmental hazards; the development of waste management, particularly at regional level; the sustainable use of natural resources; protection against natural hazards and disasters; environmental aspects of industry (especially the transfer of advanced environmental technologies and reductions in energy consumption); environmental geology with a focus on hydrogeology; the protection of biodiversity; etc.

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<sup>18</sup> Development Cooperation of the Czech Republic – DAC Special Review, 2007, p. 14

➤ **Agriculture**

A serious problem for poor and underdeveloped countries is their lack of access to quality food. In agriculture, the Czech Republic focuses mainly on the transfer of know-how, with an emphasis on the use of appropriate agricultural technologies and the cultivation of suitable crops. Water management operations will focus on ensuring access to water, the sustainable management of water, and appropriate irrigation technologies. Forestry is focused on the restoration and protection of forests and agroforestry. Not least, the Czech Republic supports the development of rural agricultural holdings. The Czech Republic's activities contribute to the fulfilment of the Millennium Development Goals (especially MDG 1: Eradicate extreme poverty and hunger).

➤ **Social development (including education, social and health services)**

The inclusion of social development (including education, social and health services) among the priority sectors confirms the continuity of the path followed by Czech development cooperation. Education, especially support for primary and vocational education, is a traditional part of Czech development cooperation. More than half of the MDGs are related to social development in the broadest sense. Through its activities in this sector, the Czech Republic contributes to the fulfilment of MDG2: Achieve universal primary education, MDG 5: Improve maternal health, and MDG 6: Combat HIV/AIDS, malaria and other diseases.

➤ **Economic development (including energy)**

The Czech Republic has devoted many years to technical assistance and building and strengthening expertise in industrial sectors, especially by technology transfer and transfer of know-how. By drawing on its many years of expert experience, Czech development cooperation will continue to focus on promoting sustainable energy, energy self-sufficiency and technological modernization, including transport infrastructure development. With its emphasis on local sustainable energy sources, the Czech Republic is building on one of the priorities of its EU Council Presidency in the field of development cooperation; it is contributing to the fight against climate change and the fulfilment of the Millennium Development Goals (especially MDG 7: Ensuring environmental sustainability). This priority is linked to the environmental sector in accordance with relevant OECD guidelines of 2009.<sup>19</sup>

Another long-term goal of Czech economic development projects is to support small and medium-sized enterprises and farmers and to develop the labour market and trade. In a bid to help developing countries integrate better into the system of the World Trade Organization (WTO) and exploit trade more efficiently in order to reduce poverty, significant attention is also paid to trade and development issues within the WTO. These are considered important elements of development cooperation.

An integral part of this effort is the Aid for Trade Programme. This primarily entails assistance for the formation of trade policies, supporting conditions and a regulatory trade framework, with particular assistance for state administration in setting rules and strategies and in removing administrative barriers. This leads to progressive, beneficial trade liberalization. In a broader sense, it also covers the development of the domestic market and local production capacities and the building of infrastructure to support trade. At the same time, support targets the business climate and the

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<sup>19</sup> OECD Policy Guidance "Integrating Climate Change Adaptation into Development Cooperation", 2009

development of market institutions through the transfer of experience and know-how. Aid for Trade projects are overseen by the Ministry of Trade and Industry in consultation with the Ministry of Foreign Affairs and coincide with the priorities of Czech development cooperation.

➤ **The Promotion of democracy, human rights and social transformation**

The Czech Republic has a comparative advantage over most of the established donor countries – its experience of a process of political, economic and social transformation. It seeks to capitalize on this advantage in cooperation with countries undergoing similar changes, and in countries where the democratic process has not been initiated. The Czech Republic's main tool for the support of democracy is the Transformation Cooperation Programme managed by the Department of Human Rights and Transformation Policy (LTP) at the Ministry of Foreign Affairs. The priority areas of this programme include the strengthening of civil society and its cooperation with local government, the development of an independent media, education aimed at active citizenship and the promotion of defenders of human rights. The principles of transformation cooperation and its consistency with the foreign policy of the Czech Republic will be described in detail in the forthcoming document Transformation Policy Strategy.

This comparative advantage is put to good use by the Ministry of Finance (MoF) of the Czech Republic, which, under the “Transformation of Financial and Economic Cooperation” programme, shares its knowledge and experience of economic transformation processes, good governance, preparations for EU accession and the application of the EC/EU acquis with foreign partners. At the request of partner countries, negotiations are focused mainly on issues relating to public finance (e.g. budget processes, internal financial control in public administration, the management of liquidity and public debt, taxes, duties, the funding of social and health systems, etc.). In the forthcoming period, the MoF will concentrate on stepping up cooperation with partner ministries, especially in emerging countries, including those in the Eastern Partnership. The Ministry of Finance will simultaneously seek to enhance coordination and complementarity with EU programmes in order to achieve a greater synergy of its actions.

## B) Cross-cutting principles

Besides the sectoral priorities formulated above, the Czech Republic is striving to contribute to positive development in partner countries through cross-cutting principles. The Czech Republic will rigorously ensure that they are taken into account in the various developing projects at all stages of the project cycle.

Cross-cutting principles are:

### ➤ **Good (democratic) governance**

The Czech Republic will seek to promote good governance at two levels:

- mainstreaming, i.e. an emphasis on involving the local community in the process of deciding on the form of a project, and consistent adherence to transparency at all stages of the project cycle;
- thematic, i.e. through specific projects aimed at improving central and local government;

### ➤ **Respect for the environment and the climate**

The environment is a fundamental pillar of sustainable development. The impairment of the environment and the impacts of climate change have a negative effect on a wide variety of human activities and are felt most in poor developing countries with limited adaptive capacity. The Czech Republic will reflect respect for the environment at two levels:

- mainstreaming, i.e. the integration of the environment into all stages of Czech development cooperation (including assessments of the impact of development projects on the environment and climate change, sustainability assessments of project outputs, and project sensitivity to the consequences of climate change in cases where such evaluations are meaningful);
- thematic, i.e. specific projects aimed at climate mitigation and adaptation measures and capacity building in developing countries;

### ➤ **Respect for the basic human, economic, social and labour rights of project beneficiaries, including:**

- **Gender equality** – poverty has different impacts on men and women; also, women's participation in development is limited, which adversely affects its efficiency. In accordance with the European Consensus on Development (2005), the Czech Republic will strive for equality at two levels:
  - mainstreaming, i.e. the application of this perspective in the programming of development cooperation and in various stages of the project cycle;
  - thematic, i.e. through specific projects aimed at empowering women.<sup>20</sup>

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<sup>20</sup> Gender issues are related to one of the priorities of Czech foreign policy – the promotion of human rights. Development, security and gender issues are linked by UNSCR 1325, 1820, 1888 and 1889. The principles contained in them are designed to enhance the effectiveness of development projects in conflict and post-conflict areas and ensure the more

## **4.2 Multilateral cooperation**

In view of the interdependence of the contemporary world and the complexity of issues, development objectives cannot be achieved merely by providing development assistance. To make significant and lasting improvements in poor countries, concerted global action encompassing an extensive range of policies – international trade, climate change measures, tax issues, the fight against corruption, migration, security, etc. – is required. In this regard, there is no substitute for multilateral cooperation.

The Czech Republic is continuously involved in the work of organizations in the UN system, Bretton Woods institutions and EU institutions. It participates in development discussions through the relevant working groups and platforms of the EU, UN, OECD and WTO, contributes financially to the activities of these institutions and ensures that the commitments it adopts are honoured, particularly in relation to the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008). The fulfilment of commitments will be based on the overall volume of Czech development cooperation and the possibilities and state of the Czech development system.

### **4.2.1 United Nations (UN)**

The Czech Republic supports the reform efforts and efforts to increase the efficiency of the UN development system, to achieve a state of “Delivering as One”,<sup>21</sup> with an emphasis on close cooperation between UN development system organizations. The UN development system includes dozens of organizations focused on development issues. The Czech Republic will continue to cooperate with those organizations which emphasize the harmonization, simplification and streamlining of development policies and which engage in sectors synergistic with or complementary to the activities of Czech development cooperation.

The Czech Republic enjoys a long-standing cooperation with the UN Food and Agriculture Organization (FAO), the International Labour Organization (ILO) and the World Health Organization (WHO). The Czech Republic maintains intensive contact with the UN Development Programme (UNDP), both through the Regional Office for Central and Eastern Europe in Bratislava (the application of the Czech Republic’s transformation experience), and the promotion of UNDP global development activities. The Czech Republic also provides funding to post Czech volunteers abroad via United Nations Volunteers (UNV).

With respect to its stated development cooperation priorities, the Czech Republic considers cooperation with other organizations, programmes and funds within the UN development system to be beneficial, e.g. the UN Children’s Fund (UNICEF), the United Nations Industrial Development Organization (UNIDO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Environment Programme (UNEP), the International Atomic Energy Agency (IAEA), the United Nations Population Fund (UNFPA), the United Nations Human

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effective stabilization and reconstruction of society whilst empowering women. The Czech Republic will seek to reflect these practices in development cooperation. The gender issue will be profiled in the awareness and educational activities of the MFA; NGOs also play a part in raising awareness.

<sup>21</sup> The title of the report of the panel set up by former UN Secretary General Kofi Annan in November 2006, formulating proposals for the streamlining of the work of the UN system in development, humanitarian aid and the environment.

Settlements Programme (UN-Habitat) and the World Food Programme (WFP).

#### **4.2.2 The European Union**

The European Union is collectively the world's largest provider of development assistance and a major supporter of positive principles in the implementation of such assistance. The Czech Republic has also contributed to the formulation and implementation of this policy since 2004. Under the Lisbon Treaty, development cooperation falls within the scope of shared competences, where the activities of the EU and Member States are mutually complementary and reinforcing. The fundamental EU document for development cooperation, to which the Czech Republic has acceded, is the European Consensus on Development (2005).

The Czech Republic encourages a realistic approach to development cooperation, where foreign aid is viewed as an incentive for domestic reform in developing countries and a catalyst for further development resources. In accordance with the principles of the EU, UN and OECD, the Czech Republic will place emphasis (at both national and EU level) on Policy Coherence for Development (PCD), which it regards as an important precondition for meeting the Millennium Development Goals. It will therefore ensure that the external impacts of departmental policies do not undermine the aims and objectives of development policy (especially in trade, agriculture, migration, environment and security). The starting point for these activities will be the mapping of Czech policies and positions in EU policies which affect the development prospects of poor countries. An appropriate forum for discussing the problem areas identified is the Council on Development Cooperation, as an inter-ministerial coordinating body, because according to its Statutes,<sup>22</sup> inter alia, it is "responsible for mutual coherence between the objectives and priorities of development cooperation and other government policy instruments that have or could have a direct or indirect impact on developing countries".

In accordance with the Paris Declaration on Aid Effectiveness and the EU Council Conclusions<sup>23</sup> on complementarity and division of labour (the EU Code of Conduct on Complementarity and Division of Labour), the Czech Republic will continue, as far as it is able, to maintain a high profile in selected priority countries and sectors and to contribute to donor coordination in these countries and to the harmonization of donor community activities with the decisions of partner governments. During this process, the Czech Republic will draw on its specific experience; special attention will be paid to the systematic use of its transformation history. For these reasons, in October 2009 the Czech Republic took on the role of EU supporting facilitator in Moldova and Mongolia, who were willing and able to coordinate donors with each other and with partner governments. Within the EU and on a broader international scale, the Czech Republic will actively promote the integration of development cooperation into political dialogue with other major donors (most notably the US, as well as Japan and other OECD countries).

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<sup>22</sup> Statutes of the Council on Development Cooperation (Annex to Government Resolution No 1439/2007 of 19 December 2007, Article II(1b))

<sup>23</sup> EU Council Conclusions of 15 May 2007 – EU Code of Conduct on Complementarity and Division of Labour in Development Policy

In the implementation of EU development policy, the Czech Republic – through the relevant EU bodies – will actively participate in the programming of financial instruments, in particular the Development Cooperation Instrument (DCI), the European Neighbourhood and Partnership Instrument (ENPI), the European Instrument for Democracy and Human Rights (EIDHR) and the Instrument for Pre-Accession Assistance (IPA).<sup>24</sup> An important source for the financing of EU development cooperation is the European Development Fund (EDF), which is intended for the poorest countries in Africa, the Caribbean and the Pacific (ACP) and serves as the implementation instrument of the Cotonou Agreement.<sup>25</sup> It is financed by contributions from EU Member States; the Czech Republic will start contributing to its funding and activities in 2011.

The Czech Republic will seek the appropriate geographical balance and effectiveness of EU development cooperation, particularly in the context of consultations between Member States and the European Commission on the use of development tools. An important task will be the ongoing, systemic promotion of the greater participation of Czech entities in development cooperation financed from EU external assistance funds, especially the ENPI, DCI and EDF. The Ministry of Foreign Affairs, together with other departments (the Ministry of Industry and Trade and Ministry of Finance), the Czech Development Agency, CzechTrade, business federations and the non-profit sectors, will take part in the preparation and implementation of actions related to the provision of information and practical guides for Czech entities that are interested in implementing EU development projects. Employees of Czech missions will also work in favour of Czech entities seeking to implement EU development projects.

#### **4.2.3 International financial institutions**

From the perspective of development cooperation, the Czech Republic's priorities within international financial institutions include the activities undertaken by the World Bank, the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB). Cooperation with the World Bank and the EBRD is influenced by the fact that the Czech Republic has graduated to the position of donor country and has successfully completed its transition process. Since this graduation, the Czech Republic has, in its new role as a net donor, earned a reputation as an active partner in both of these institutions.

In cooperation with the World Bank, a priority area is the financial support of the International Development Association (IDA), whose mission is to eradicate poverty in the poorest countries of the world. The Czech Republic is also involved in the financing of the World Bank's trust fund – the Global Environment Facility (GEF). With regard to the EBRD, thanks to its active policy the Czech Republic has entered the Western Balkans Fund and set up its own Czech Technical Assistance Fund.

In the EIB's decision-making bodies, the Czech Republic is involved in the preparation of the EIB's external activities related to its external mandate. The Czech Republic, together with other Member States, also provides guarantees for the Bank's operations in Africa, the Caribbean and the Pacific (ACP). The Ministry of Finance, in cooperation with the World Bank, the EBRD and the EIB, makes every effort to promote the involvement of Czech enterprises in the projects and programmes carried out by these institutions.

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<sup>24</sup> DCI – Development Cooperation Instrument, ENPI – European Neighbourhood and Partnership Instrument, EIDHR – European Instrument for Democracy and Human Rights, IPA – Instrument of Pre-Accession Assistance

<sup>25</sup> Partnership Agreement between the African, Caribbean and Pacific Group of States on the one hand, and the European Community and its Member States on the other (Cotonou, 23 June 2000)

#### **4.2.4 Organization for Economic Cooperation and Development (OECD)**

The Czech Republic views the OECD as a prestigious organization that is respected for its generally accepted recommendations based on the sharing and analysis of the best practices of advanced countries.

In its development agenda, the key body is the Development Assistance Committee (DAC), in which the Czech Republic has had observer status since joining the Organization. This status allows it to use all reports, information and statistical databases, and the sum of expertise of the largest and most experienced donors, both in peer reviews and statistics, and in the formulating of priorities for the forthcoming period.

The Czech Republic should become a member of the DAC in the foreseeable future. In view of the complexity of the process, this may take a few years to achieve. Nevertheless, considering the prestige of membership, the quality of the process is more important than its speed.

#### **4.2.5 World Trade Organization (WTO)**

The creation and deepening of a multilateral trading system based on clear rules and predictability implicitly encompasses a number of significant development elements. These elements have been strengthened in particular in the current negotiations on the Doha Development Agenda (DDA); this round of talks was explicitly specified as “development” and should contribute significantly to the increased involvement of developing and the least developed countries in international trade in a bid to promote development goals and fight poverty globally. The Czech Republic, together with the entire EU, actively supports efforts to achieve an ambitious and balanced DDA outcome and its subsequent rapid implementation as quickly as possible. The primary factors here are the separate chapter of the negotiations on trade and development, and the cross-cutting issues affecting all other areas of the DDA under discussion.

The WTO also plays the very significant role of coordinator in the organization, monitoring and regularly evaluating Aid for Trade, and organizing part of this aid directly through funding from the DDA Global Trust Fund. With the exception of 2009, in recent years the Czech Republic has contributed to its financing; it would evidently be expedient to continue this tradition as far as possible in the coming years because these contributions are very positively rated as specific Czech assistance in the field of Aid for Trade. In cooperation with the IMF, the World Bank and the International Trade Centre (ITC), the WTO also organizes the Enhanced Integrated Framework of Aid for Trade, and it would be worthwhile monitoring the prospects for the Czech Republic’s participation in this activity.



## **5 Modalities of Czech Development Cooperation**

### **5.1 Bilateral development projects**

Bilateral development projects are a pivotal form of Czech development cooperation. The Czech Republic is keen to focus on technical cooperation, where it can put its comparative advantages to better use. In some cases, investment (infrastructure) projects may be more appropriate, but bearing in mind the resources at the Czech Republic's disposal, the focus always be on the development of local communities and their needs. Projects will be awarded through public procurement and grants.

A special group of development projects comprises the small-scale local projects implemented at Czech missions abroad, which facilitate smaller, precisely targeted development activities. The aim of these projects is to contribute, on the basis of the mission's knowledge of its territory, to the small-scale development activities of local entities – educational, medical, social, nongovernmental organizations, local communities, etc. – which should be complementary to national development plans.

### **5.2 Trilateral development projects**

Project co-financing with other donors, including the European Commission, is a beneficial form of development cooperation. The co-financing of development activities allows Czech entities to strengthen their capacities and exercise their comparative advantages in new territories and sectors. Trilateral projects will continue to be supported under the MFA/CDA grant scheme.

### **5.3 Scholarships**

Government scholarships for students from developing countries to study at public universities can provide major assistance to developing countries under appropriately configured conditions. The tradition of scholarships dates back to the 1950s, since when approximately 22,000 government-funded scholars have studied in Czechoslovakia/the Czech Republic. Teaching is provided in bachelor, master, follow-up master and doctoral degree programmes. The government scholarship scheme is jointly managed by the Ministry of Foreign Affairs and the Ministry of Education, Youth and Sports; they work closely with the Ministry of Health in the implementation of the scheme.

The MFA, in cooperation with the Ministry of Education, Youth and Sports, has analyzed the existing scholarship rules and, drawing on the observations of other donor countries and the Czech nongovernmental sector (the Czech Forum for Development Cooperation – FoRS), is preparing to modify the system of education for students from developing countries in order to eliminate some of the shortcomings of existing practices. Scholarships for study in the Czech Republic with Czech as the language of instruction will be maintained, while the number of scholarships with teaching provided in English will be reduced. A programme for posting academics and experts from Czech institutions to countries corresponding to the territorial priorities of Czech development cooperation and to its sectoral focus will be launched as a pilot project.

## 5.4 Humanitarian aid

Humanitarian aid is not a direct part of development cooperation. The purpose of humanitarian aid is to prevent loss of life, alleviate human suffering, and prevent harm to the health of a population affected by an emergency, especially natural disaster or armed conflict. The focus of humanitarian aid is very close to that of development cooperation, and therefore this Strategy pays it close attention.

The Czech Republic's provision of humanitarian aid is governed by international humanitarian principles: the principles of humanity, impartiality, neutrality and independence. An emphasis is placed on respect for international humanitarian law, refugee law and human rights. Furthermore, the Czech Republic adheres to the principles and requirements of Good Humanitarian Donorship (GHD), which it officially endorsed in 2006.

Humanitarian aid includes both immediate response and follow-up assistance to restore basic living conditions within two years of the crisis. In terms of humanitarian aid, the importance of disaster prevention and the need for assistance in protracted (complex) humanitarian crises, especially in "fragile" countries, is continuously growing. Humanitarian aid is the stage preceding development cooperation in the context of complex crises and disaster prevention or adaptation to climate change.

Looking to the future, it is in the Czech Republic's interests to gradually increase the proportion of humanitarian aid in the total development cooperation budget. This will facilitate the better programming of humanitarian aid in accordance with international commitments adopted, in particular, within the UN and EU, and more effective action in dealing with humanitarian crises. At the same time, there will be more room for the interconnection of humanitarian aid and development cooperation and for deeper cooperation with the nongovernmental sector in the provision of assistance.

There are no territorial restrictions on humanitarian aid; however, in the programming of humanitarian intervention, needs in the priority countries selected for Czech development cooperation will be taken into account, particularly in those where complex humanitarian crises or natural disasters are felt.

In terms of sectors, there will be continuity with social development (in the broad sense, encompassing education, health and social care, including gender mainstreaming), as well as the environment and agriculture (a link with emergency aid and measures for long-term food sustainability).

In the provision of humanitarian aid, the cross-cutting principles of development cooperation will be applied, highlighting good (democratic) governance – critical to maintaining humanitarian space, the availability of assistance for the needy and the sustainability thereof – and respect for the fundamental human, economic, social and labour rights of project beneficiaries.

Within the EU, the Czech Republic has acceded to the European Consensus on Humanitarian Aid (2007). Nor will the Czech Republic overlook EU financial instruments for humanitarian aid, especially disaster prevention programmes under the DIPECHO (Disaster Preparedness ECHO), the Grant Facility, and the possibility of strategically influencing global plans and ad hoc decisions on assistance, including the territorial and sectoral focus thereof as well as implementation strategies.

In terms of its international commitments, broader integration and synergy of humanitarian aid, development cooperation of the Czech Republic will be of great importance in addressing global issues such as climate change and disaster prevention, policy coherence, and security and development. In the field of disaster prevention and climate change adaptation, the enhanced project, financial and communication interconnectivity of humanitarian aid and development cooperation will contribute to the implementation of the Hyogo Framework for Action and the International Strategy for Disaster Reduction (ISDR). The Czech Republic will strive, primarily in countries affected by complex long-term crises, to implement the LRRD concept (Linking Relief, Recovery and Development) in order to consolidate the synergy of the positive effects of humanitarian intervention and development cooperation, thereby contributing to sustainable development.

## **5.5 Other possible modalities of assistance**

### **5.5.1 Officially Supported Export Credits**

The Czech Republic is committed to OECD principles on the support of sustainable lending from 2008, which are based on an initiative of the International Monetary Fund and the World Bank to provide public entities in a selection of the poorest developing countries with export credits containing a certain degree of concessionality level or grant element (reductions in financing costs). The goal of sustainable lending is to support the development of low-income countries.

One solution appears to be the combination of a grant (i.e. funds from the national budget) and export credit from the Czech Export Bank (CEB), with insurance provided by the Export Guarantee and Insurance Company (EGAP), meeting internationally recognized standards of responsible lending between States.

### **5.5.2 Direct budget support**

The Accra Agenda for Action (2008) calls for the use of partner country systems, including direct and sectoral budget support. The Czech Republic prefers other forms of assistance, which, in view of its position as a smaller donor, it believes to be more efficient and more beneficial. It is also keen to provide development cooperation through its own practitioners, thus improving their skills and increasing their prospects of involvement in future development activities at an international level, including development projects financed by EU funds.

### **5.5.3 Delegated cooperation**

Delegated cooperation, discussed as a means of increasing the effectiveness of development cooperation at international level, is related to the division of labour and coordination among donors. This form of assistance allows for the transfer of the provision of development cooperation in a partner country to another donor who has better capacity for more effective development action. The Czech Republic's position on delegated cooperation is currently similar to its position on budget support: it prefers other forms of development assistance.

#### **5.5.4 Micro-financing**

Many donors have introduced micro-financing into their development systems in a bid to help the fight against poverty by making financial services more accessible to poor people in developing countries. Set of micro-financing products includes loans to small businesses, the acceptance of deposits, the insurance of assets (crops, business operations), life assurance, etc. The basic principle of micro-financing is cross-collective liability overarching the problems typical for small loan applicants in developing countries which impede their access to standard financial services: a lack of financial protection, borrowing only possible at very low amounts, and the high operating costs of lending. Similar action is envisaged in Czech development cooperation once methodology has been prepared and the relevant measures have been adopted.

## **6 Financial framework**

The Czech Republic is aware of its international commitments regarding the volume of resources devoted to the development of poor countries, as confirmed by the Doha Review Conference on Financing for Development in December 2008. Accordingly, it is seeking to implement the EU Council Conclusions of 2005, according to which, as a new Member State, it was to try to achieve 0.17% of GNI in 2010 and 0.33% of GNI in 2015. Meanwhile, however, the Czech Republic's amount of Official Development Assistance (ODA) has stabilized in relative terms above 0.11% of GNI, and its share in GNI is gradually increasing. The Czech Republic's bilateral ODA in 2009 stood at CZK 1.63 billion; the volume of multilateral ODA was CZK 2.49 billion. Overall, the Czech Republic spent a total of CZK 4.12 billion.

As of 2010, the Czech Republic will seek to maintain the trend of a gradual increase in assistance, perhaps by 0.01% of GNI per year for the time being, with a view to a faster rise once the aftermath of the financial and economic crisis has died down, so that the Czech Republic comes much closer to meeting its development cooperation commitments. The Czech Republic wants to gradually build up assistance as a percentage of GNI and in terms of the overall volume of funds provided.

## **7 Management of Czech Development Cooperation**

### **7.1 Legislative and strategic framework**

The main legislative framework for this area is provided by the Act on Development Cooperation and Humanitarian Aid.<sup>26</sup> The need for this initial legislative regulation was fuelled by the increasing volume of aid, as well as the need to streamline the system and clarify the roles of the main development cooperation players.

Detailed procedures for the provision of development cooperation will be enshrined in the Principles for the Provision of Development Cooperation and Humanitarian Aid. These principles will also describe in more detail the involvement of other key players and entities in development cooperation, especially businesses, NGOs, universities and other educational and research institutions, associations of municipalities, public and civil society.

The key strategic document is this Development Cooperation Strategy, which determines the direction to be taken by development cooperation over the medium term and which takes account of the Sustainable Development Strategic Framework of the Czech Republic, where one of the Czech Republic's objectives, as a member of the EU, UN and OECD, is to meet international commitments fully and as quickly as possible. This includes attempts to increase the volume and effectiveness of official development assistance.

If a more detailed view of a certain segment of development cooperation is needed, or if future commitments to the long-term financing of climate change measures arise, separate individual policy papers can be prepared (see the National Strategy of Global Development Education or the review of the government scholarship scheme; in the future, sectoral strategies, multilateral development cooperation strategies, etc., could be considered).

The system of the annual submission to the Government of the Development Cooperation Plan for the following year, including the outlook for the next two years, remains in place.

### **7.2 Institutional framework**

Development cooperation coordination and coherence are the responsibility of the inter-ministerial Council on Development Cooperation to the extent laid down in its Government-approved Statutes.<sup>27</sup>

On completion of the transition in 2010, the core element of development cooperation will be coordinated by the MFA. Following the entry into force of the Act on Development Cooperation and Humanitarian Aid, the MFA has political, strategic and programming responsibilities. In particular, it prepares strategy and strategic documents, annual plans of bilateral development cooperation and medium-term outlooks, commissions evaluations of development interventions and manages the CDA. In the performance of these tasks, the MFA cooperates with other government departments and, where appropriate, with the Government Council on Sustainable Development.

The CDA plays an implementing role (except as provided by the Government Decision

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<sup>26</sup> Act on development cooperation and humanitarian aid and amending related laws

<sup>27</sup> Statutes of the Council on Development Cooperation (Annex to Government Resolution No 1439/2007 of 19 December 2007)

on Transformation of Development Cooperation System)<sup>28</sup> and is responsible for the provision of development cooperation, including the identification of suitable projects, their wording, the advertising of competitions (in the form of public contracts and grants), the signing of contracts, and monitoring of projects.

### **7.3 Personnel framework**

To make effective use of the growing volume of money spent by the Czech Republic on development cooperation and to perform the wide range of tasks based on this Strategy, it is necessary to secure adequate staffing capacity. This means not only finding sufficient numbers of workers, but also ensuring their quality and expertise, especially at the MFA and the CDA.

Czech missions in programme countries, which perform important tasks in the identification and formulation of suitable projects and in the monitoring of their implementation, and are an important focal point for government and other institutions in the partner countries and for Czech practitioners, will benefit from increased staffing capacity, including local human resources. The Czech Republic also has many tasks to perform in relation to partner countries on the basis of its commitments within the EU. In the division of labour, the Czech Republic maintains its profile as the EU supporting facilitator in Moldova and Mongolia.

### **7.4 Monitoring and evaluation of the Czech Republic's development cooperation**

The core element of the system of development cooperation management is monitoring and evaluation. **Monitoring** entails the regular collection of data on development interventions in order to provide project or programme managers and the donor with information about the outputs achieved and the current level of resources allocated. Development Cooperation projects are monitored by Czech missions and the Czech Development Agency in the form of mutual coordination.

**Evaluations** provide a systematic and objective assessment of the success of development interventions in terms of relevance, effectiveness, efficiency, impact and sustainability. This comprehensive evaluation provides feedback for the preparation of new programmes or projects, and for decisions on the allocation of additional funds in a given country or sector. Evaluations contribute to the ongoing streamlining of evaluation and innovation of the development cooperation programme as a whole by making recommendations for the improvement of future development interventions.

Candidates for evaluation are individual projects, multi-annual cooperation programmes, and at a later stage all Czech development cooperation with a selected partner country, the Czech Republic's development cooperation in a selected sector across partner countries, or a particular form of development cooperation. Evaluations are conducted on the basis of internationally standardized methods applied to the specifics of the Czech system of development cooperation. The MFA bears the main responsibility for evaluations in the institutional framework of development cooperation.

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<sup>28</sup> Transformation of the Development Cooperation System of the Czech Republic (Government Resolution No 1070/2007 of 19 September 2007)

## **8 Raising awareness**

### **8.1 Publicity activities**

Public and political support is a key prerequisite for the effective provision of development cooperation and for qualitative and quantitative changes in this area. An important role in efforts to improve the efficiency of Czech development cooperation is played by the continuous provision of information to experts and the general public. The Ministry of Foreign Affairs, as the development cooperation coordinator, runs awareness activities as part of its own information and awareness programme; examples are the release of documents and publications, the operation of a website, work with journalists, and the holding of conferences, seminars, exhibitions, etc. In addition, it financially supports the activities of the nongovernmental and academic sectors. Another important factor is the visibility of the Czech Republic's role as a donor in the developing countries themselves.

The MFA, as the main coordinator, continuously strives to generate increased political support for Czech development cooperation. It actively seeks to engage in debates on development cooperation in the Czech Parliament through the Foreign Affairs Committee of the Chamber of Deputies.

### **8.2 Global development education**

Global development education plays a specific role in activities aimed at heightening awareness of developing countries and development cooperation. This is a lifelong learning process that contributes to an understanding of differences and similarities between the lives of people in developing and developed countries and facilitates an understanding of the economic, social, political, environmental and cultural processes that affect them. It develops skills and promotes the formation of values and attitudes so that people are able and willing to actively participate in addressing local and global problems. Global development education is geared towards responsibility for the creation of a world where all people have the opportunity to live a life of a decent standard.

The objectives, principles and themes of global development education are set out in greater detail in the National Strategy on Global Development Education in the Czech Republic, which was initiated by the MFA in cooperation with the Ministry of Education, Youth and Sports, FoRS and numerous other institutions.



### **8.3 Capacity building**

Development cooperation may be provided effectively only by qualified personnel with the necessary knowledge of the Czech Republic's international commitments and general trends in development and in the practical implementation of development projects. The MFA will strive to build professional capacity at all levels of development cooperation management and implementation.

It would be appropriate to raise awareness of development cooperation also among MFA staff and representatives of other ministries who cover a development-related agenda (e.g. trade, agriculture, the environment, migration, finance). Relevant forums include the Council on Development Cooperation, the competent departmental coordination groups, and the Government Council on Sustainable Development. The MFA will continue to support NGO capacity building through a grant scheme.

## **9 Validity of Strategy**

This Strategy will be valid for the period from 2010 to 2017. In the event of significant political and economic changes in the Czech Republic, or on the international stage, the Strategy may be amended accordingly. Following the major international MDG-related meetings planned for 2015, the process of evaluating the Strategy will begin.

**Annex 1: Overview of criteria among priority countries with a cooperation programme**

Priority country	Intensity of bilateral relations	Country category (OECD/DAC)	Human development index (UNDP) ranking among 182 countries	Existence of a poverty reduction strategy paper	Corruption Perceptions Index (Transparency International), ranking among 180 countries	Respect for human rights and freedoms (Freedom House)	The Czech Republic's position among other donors in the country ODA per capita
<b>Afghanistan</b>	Moderately high	Least Developed Countries (LDC)	181	Yes	179	Political rights: 6	Czech IDC is relatively visible in Logar Province
						Civil liberties: 6	
						Status: not free	
<b>Bosnia and Herzegovina</b>	Very high, long-standing tradition of sound mutual relations	Lower middle-income countries (LMIC)	76	Yes	99	Political rights: 4	Good, Czech IDC visible
						Civil liberties: 3	
						Status: partly free	USD 113
<b>Ethiopia</b>	Moderately high, tradition of sound mutual relations	Least Developed Countries (LDC)	171	Yes	120	Political rights: 5	Good potential for Czech IDC if well-targeted in terms of territory and sector
						Civil liberties: 5	
						Status: partly free	USD 29
<b>Moldova</b>	Very high, intensive mutual relations in past 10 years	Lower middle-income countries (LMIC)	117	Yes	89	Political rights: 3	Czech Republic committed to role of EU supporting facilitator
						Civil liberties: 4	
						Status: partly free	USD 71
<b>Mongolia</b>	Very high, long-standing tradition of sound mutual relations	Lower middle-income countries (LMIC)	115	Yes	120	Political rights: 2	Czech Republic committed to role of EU supporting facilitator
						Civil liberties: 2	
						Status: freed	USD 87

Sources: List of ODA beneficiaries by OECD/DAC categorization, August 2009

- Human Development Index, Human Development Report, UNDP, 2009
- Corruption Perceptions Index, Transparency International, 2008
- Freedom House Report, 2009, scale: 1 (highest level of freedom) to 7 (lowest level of freedom), countries rated overall as free, partly free or not free

**Annex 2: Overview of sectoral priorities among priority countries with a cooperation programme**

<b>Priority countries with a cooperation programme</b>	<b>Sectors</b>
<b>Afghanistan</b>	Environment Agriculture Economic development (including energy)
<b>Bosnia and Herzegovina</b>	Environment Economic development (including energy) Social development (including education, social and health services) Agriculture
<b>Ethiopia</b>	Environment Social development (including education, social and health services) Agriculture
<b>Moldova</b>	Environment Social development (including education, social and health services) Agriculture
<b>Mongolia</b>	Environment Agriculture Social development (including education, social and health services) Economic development (including energy)

### Annex 3: List of Abbreviations

ACP - Africa, Caribbean and Pacific  
BiH - Bosnia and Herzegovina  
CPI - Corruption Perceptions Index  
CEB - Czech Export Bank  
CDA - Czech Development Agency  
DCI - Development Cooperation Instrument  
DDA - Doha Development Agenda  
DIPECHO - Disaster Prevention Programmes (Disaster Preparedness ECHO)  
EBRD - European Bank for Reconstruction and Development  
EDF - European Development Fund  
EGAP - Export Guarantee and Insurance Corporation  
ECHO - European Commission Humanitarian Aid  
EIB - European Investment Bank  
EIDHR - European Instrument for Democracy and Human Rights  
ENPI - European Neighbourhood and Partnership Instrument  
EU - European Union  
FAO - UN Food and Agriculture Organization  
FoRS - Czech Forum for Development Cooperation  
FSF – Fast Start Financing 2010–2012 in response to UNFCCC  
GEF - World Bank Global Environment Facility  
GHD - Good Humanitarian Donorship  
GDE - Global Development Education  
GNI - Gross National Income  
HA - Humanitarian Aid  
IDA - International Development Association  
ILO - International Labour Organization  
IPA - Instrument for Pre-Accession Assistance  
ISDR - International Strategy for Disaster Reduction  
LDC - Least Developed Countries  
LMIC - Lower Middle Income Countries and Territories  
LPTP - Department of Human Rights and Transformation Policy, MFA  
LRRD - Linking Relief, Recovery and Development (concept to reinforce the synergy of the positive impacts of humanitarian intervention and development cooperation)  
IAEA - International Atomic Energy Agency  
MDGs - Millennium Development Goals  
SLP – Small-scale Local Projects  
IMF - International Monetary Fund  
MIT - Ministry of Industry and Trade  
MoEYS - Ministry of Education, Youth and Sports  
MFA - Ministry of Foreign Affairs  
ODA - Official Development Assistance  
OECD - Organization for Economic Cooperation and Development  
OECD/DAC - OECD Development Assistance Committee  
OLIC - Other Low Income Countries  
ORS - Department of Development Cooperation and Humanitarian Aid, MFA  
UN - United Nations

PAT - Palestinian Autonomous Territories  
PCD - Policy Coherence for Development  
PPP - Public Private Partnership  
PRSP - Poverty Reduction Strategy Paper  
DCP - Departmental Coordination Group  
UMIC – Upper Middle Income Countries and Territories  
UNDP - United Nations Development Programme  
UNEP - United Nations Environment Programme  
UNESCO - United Nations Educational, Scientific and Cultural Organization  
UNFCCC - United Nations Framework Convention on Climate Change  
UNFPA - United Nations Population Fund  
UN-Habitat - United Nations Human Settlements Programme  
UNICEF - United Nations International Children’s Fund  
UNIDO - United Nations Industrial Development Organization  
UNV - United Nations Volunteers  
GR - Government Resolution  
WFP - World Food Programme  
WHO - World Health Organization  
WTO - World Trade Organization