

## CZECH REPUBLIC

### Development challenges as investment and business opportunities: The Czech Republic's policy and practices

The Czech Republic considers that private business activities, investments and innovations are major drivers of productivity, inclusive economic growth and job creation. For this reason, the Czech Republic partners with the private sector to deliver its development co-operation and make efforts to create better conditions for private sector engagement in and beyond development co-operation.

The Ministry of Foreign Affairs and the Czech Development Agency support the Business Platform for Development Co-operation, which strives to motivate Czech business companies to get involved in development co-operation, to respect corporate social responsibility principles and to develop inclusive business models that offer the potential for both commercial success and development impact. Czech companies implement about 40% of the Czech Republic's bilateral development assistance.

With the overall aim of increasing synergies between development co-operation activities implemented by the Czech government, the private sector and non-governmental organisations, the Czech Republic is gradually diversifying its private sector instruments. Although public procurement for implementing bilateral projects continues to be the main instrument, the government also supports business-to-business partnerships (launched in 2013) between Czech and developing country companies and feasibility studies for development and economic projects meeting social needs in partner countries.

### The Czech Republic uses ODA to mobilise other resources for sustainable development

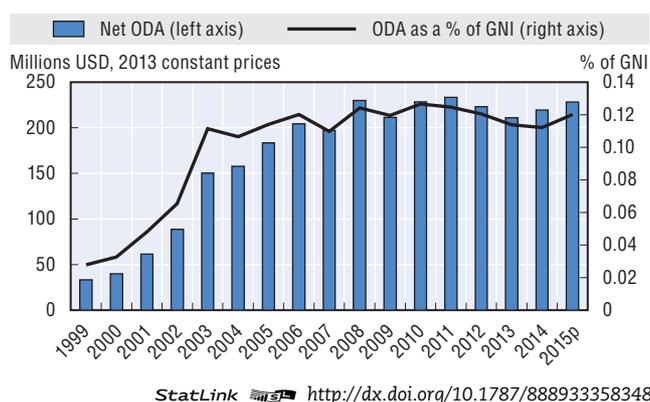
- **The Czech Republic contributes to the mobilisation of domestic resources in developing countries by supporting their tax systems.** In 2014, the Czech Republic continued its programme of technical assistance in the field of public finance management and tax and customs. The programme, implemented through study visits to the Czech Ministry of Finance, is focused on professional staff (including high-ranking officials) from the ministries of finance of its partner countries.
- **It promotes aid for trade to improve developing countries' trade performance and integration into the world economy.** It committed USD 7.4 million (16.2% of its bilateral allocable official development assistance [ODA]) to trade-related activities in 2014, a 14.6% decrease in real terms from 2013. The trend has been decreasing over the past few years.
- **The Czech Republic has pledged USD 5.3 million (CZK 110 million) to the Green Climate Fund,** which plays a key role in channelling resources to developing countries and catalysing climate finance at the international and national levels.

## The Czech Republic's official development assistance

In 2015, the Czech Republic provided USD 202 million in net ODA (preliminary data). This represented 0.12% of gross national income (GNI) and an increase of 11.4% in real terms from 2014. It is the 26th largest Development Assistance Committee (DAC) provider in terms of ODA as a percentage of GNI, and the 25th largest in terms of volume. The Czech Republic is committed to a gradual increase in ODA/GNI and will strive to reach the intermediary target agreed at the EU level of 0.33% of GNI by 2030. Its share of untied ODA (excluding administrative costs and in-donor refugee costs) decreased further, from 40.1% in 2013 to 32.4% in 2014, and is far below the 2014 DAC average of 80.6%. The grant element of total ODA was 100% in 2014. At present, data on other official flows, private grants (funds raised by non-governmental organisations and foundations) and private flows at market terms from the Czech Republic to developing countries are not available.

The Czech Republic reported USD 11.6 million of its in-donor refugee costs as ODA in 2014 (representing 5.4% of its total net ODA).

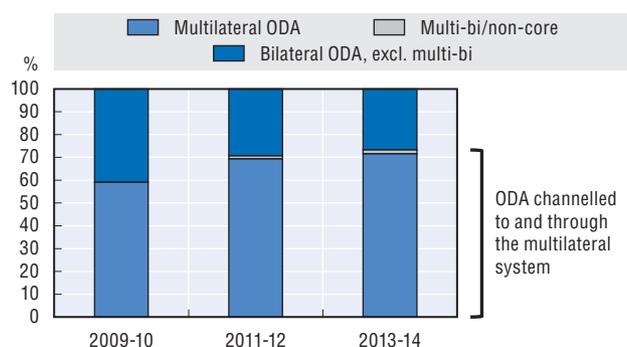
Figure 13.1. Net ODA: Trends in volume and as a share of GNI, 1999-2015, Czech Republic



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In 2014, 29.5% of ODA was provided bilaterally, totalling USD 62.6 million. The Czech Republic allocated 70.5% of total ODA as core contributions to multilateral organisations, compared with the DAC country average of 28.3%. In addition, it channelled 4.7% of its bilateral ODA to specific projects implemented by multilateral organisations (non-core contributions).

Figure 13.2. Share of ODA channelled to and through the multilateral system, two year averages, gross disbursements, Czech Republic

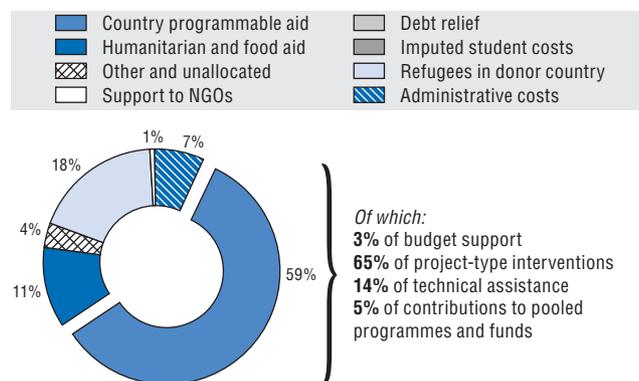


Note: Data on multi-bi/non-core ODA are not available prior to 2011.

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In 2014, 58.5% of bilateral ODA was programmed at partner country level. The Czech Republic's share of country programmable aid (CPA) was above the DAC country average of 52.9% in 2014. Project-type interventions made up 65% of CPA.

Figure 13.3. Composition of bilateral ODA, 2014, gross disbursements, Czech Republic

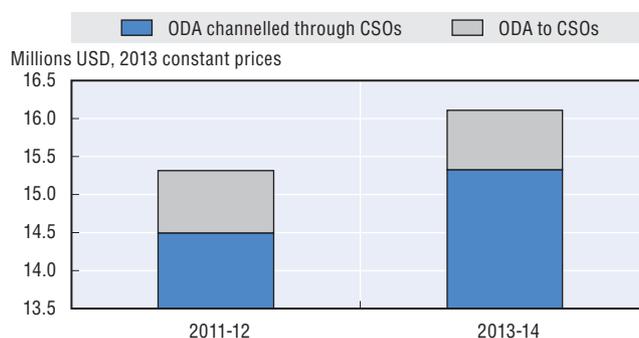


Of which:  
 3% of budget support  
 65% of project-type interventions  
 14% of technical assistance  
 5% of contributions to pooled programmes and funds

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In 2014, USD 15.4 million of bilateral ODA was channelled to and through civil society organisations (CSOs). Between 2013 and 2014, the Czech Republic's ODA channelled to and through CSOs decreased slightly in terms of volume (-2%) and as a share of bilateral aid, from 28.5% to 24.6%. This share was higher than the 2014 DAC country average of 17.4%.

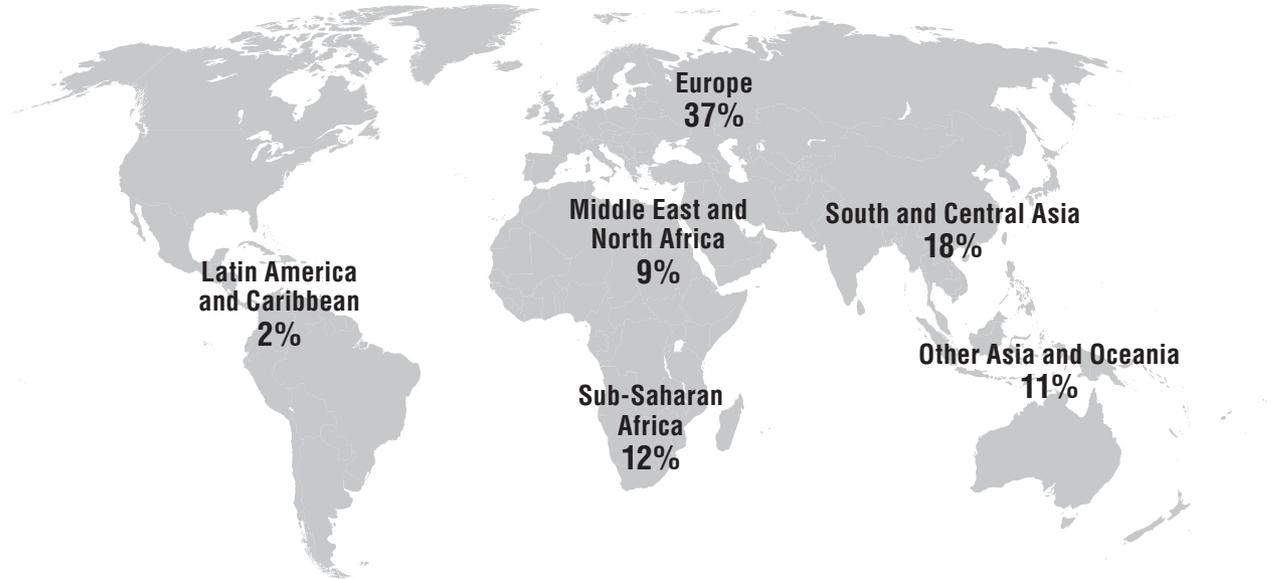
Figure 13.4. Bilateral ODA to and through CSOs, two year averages, gross disbursements, Czech Republic



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In 2014, bilateral ODA was primarily focused on Eastern Europe, south and central Asia, and sub-Saharan Africa. USD 25.6 million of bilateral ODA was allocated to Eastern Europe, USD 11.1 million to south and central Asia, and USD 7.1 million to sub-Saharan Africa.

Figure 13.5. Share of bilateral ODA by region, 2013-14 average, gross disbursements, Czech Republic

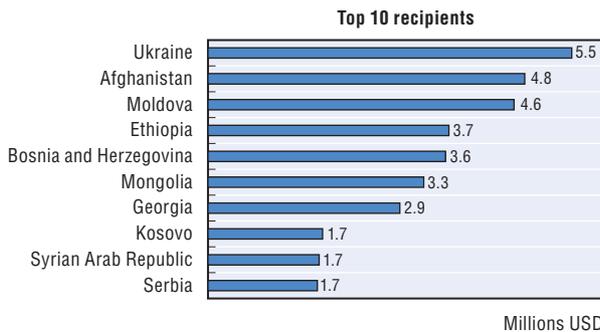


Note: 12% of bilateral ODA allocated was unspecified by region in 2013-14. This share is not represented on the map.

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In 2014, 60.4% of bilateral ODA went to the Czech Republic's top 10 recipients. Eight of its priority countries are among its top 10 recipients. Its support to fragile states reached USD 22.4 million in 2014 (35.8% of gross bilateral ODA).

Figure 13.6. Bilateral ODA to top recipients, 2013-14 average, gross disbursements, Czech Republic

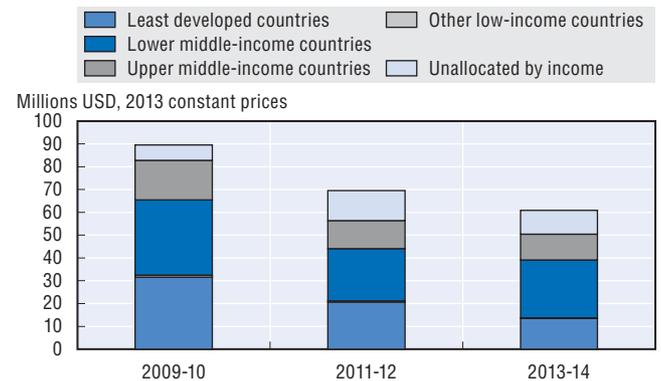


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In 2014, 22.9% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 14.3 million. The share of ODA to LDCs increased from 21.2% in 2013, but remains lower than the 2014 DAC average of 25.6%. Lower middle-income countries (LMICs) received the highest share of bilateral ODA in 2014 (43.7%).

At 0.03% of GNI in 2014, total ODA to LDCs was far below the UN target of 0.15% of GNI.

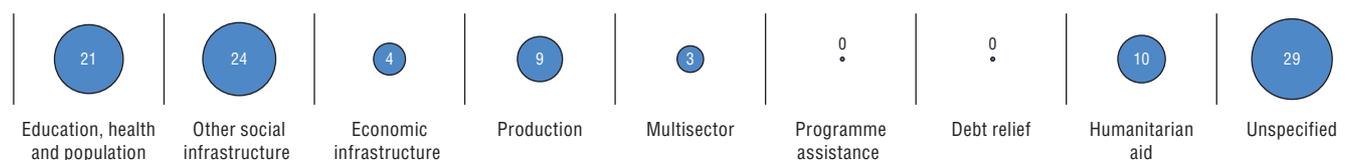
Figure 13.7. Bilateral ODA by income group, two year averages, gross disbursements, Czech Republic



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In 2014, 43.5% of bilateral ODA was allocated to social infrastructure and services, amounting to USD 27.5 million, with a strong focus on support to education (USD 10.3 million) and government and civil society (USD 7.9 million). Humanitarian aid amounted to USD 7.2 million. In 2010, the Czech Republic identified five priority areas for its development co-operation: environment, agriculture, social development, economic development and the support of democracy, human rights and social transition (Ministry of Foreign Affairs, 2010).

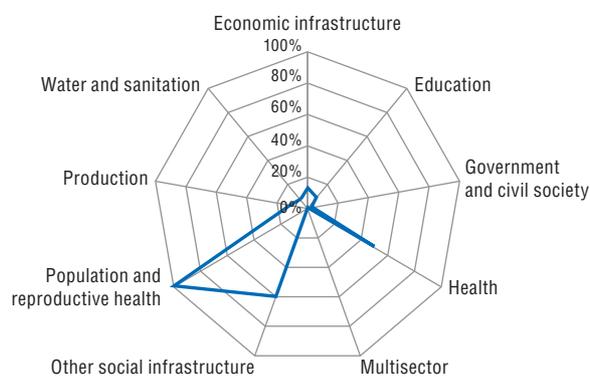
Figure 13.8. Share of bilateral ODA by sector, 2013-14 average, commitments, Czech Republic



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The amount of bilateral ODA that supported gender equality reached USD 8.9 million in 2014. Gender equality is one of the cross-cutting principles in the Czech Republic's development co-operation. In 2014, 19.9% of Czech bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared with the DAC country average of 34.7%. The Czech Republic's aid to population and reproductive health focuses on gender.

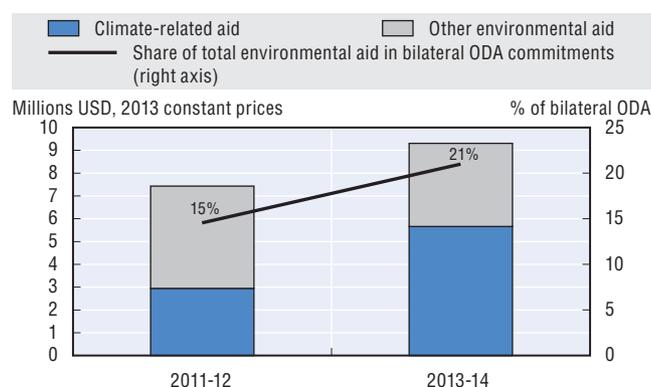
Figure 13.9. Share of bilateral allocable ODA in support of gender equality by sector, 2014, commitments, Czech Republic



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USD 9.6 million of bilateral ODA supported the environment in 2014. Protection of the environment and the fight against climate change are priority cross-cutting issues for the Czech Republic and are reflected in all of its development activities. The Czech Republic's support to the environment has been increasing in recent years, both in terms of volume and as a share of bilateral aid. In 2014, 21.1% of Czech bilateral allocable aid supported the environment and 11.9% (USD 5.4 million) focused particularly on climate change, compared with the respective DAC country averages of 32.2% and 23.9%.

Figure 13.10. Bilateral allocable ODA in support of global and local environment objectives, two year averages, commitments, Czech Republic



Note: Data are not available prior to 2011.

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Note to reader: Annex B provides "Methodological notes on definitions and measurement for the Profiles of Development Assistance Committee members".

## Reference

Ministry of Foreign Affairs (2010), "The Development Cooperation Strategy of the Czech Republic 2010-2017", Ministry of Foreign Affairs, Prague, [www.mzv.cz/file/762314/FINAL\\_Development\\_Cooperation\\_Strategy\\_2010\\_2017.pdf](http://www.mzv.cz/file/762314/FINAL_Development_Cooperation_Strategy_2010_2017.pdf).



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