

"The Government will support the creation of a unified, efficient system of development assistance, humanitarian aid and cooperation." Prime Minister Mirek Topolánek, Government Programme Declaration, January 17, 2007.



CZECH REPUBLIC

Will the Czech Republic meet the EU target of 0.17% of GNI in 2010 without inflating its aid? NGO prediction: **UNLIKELY**

In 2006 the Czech Republic spent €124 million on ODA, or 0.12% of GNI. This has risen in nominal terms from €109 million or 0.11% of GNI in 2005.

There are no detailed statistics for 2006 showing how much of its claimed ODA is in fact debt cancellation. The Czech Republic is a creditor to Iraq with claims of approximately €160 million.³³ The government has agreed to cancel this debt on terms similar to the Paris Club agreement of end-2004. In 2006 the Czech Republic cancelled approximately €46 million of Iraqi debt. All or some of this may have been counted towards its claimed 2006 ODA figure. The Czech Republic also inflates its aid by counting the costs for housing refugees in the country and for educating foreign students. According to our calculations Czech ODA was inflated by €8 million and €3 million respectively for these items.

Nonetheless, Czech NGOs do not consider the inflated figures to be the main issue. There are three fundamental weaknesses of the Czech Republic's ODA system: low poverty focus; low predictability of spending and low aid effectiveness. These reflect the existing institutional setting of the Czech Republic government's development cooperation management.

Responsibility for aid management and aid spending is divided by sectors among nine governmental ministries and is thus fragmented. The Ministry of

Foreign Affairs has a formal coordinating role over ODA delivery, but lacks legislative authority as well as a budget to effectively fulfill this role.

Aid spending decisions follow the isolated priorities of each ministry. Mechanisms for ensuring aid coherence are not in place. Sector policies as well as domestic interests are more important than poverty focus. Development cooperation units within the involved ministries are understaffed and personnel are not sufficiently trained or experienced. The existing system does not enable the development aid staff to liaise and coordinate with international donors, to follow development trends and to respond appropriately.

Czech NGOs call on the Czech government to:

- ♦ reform the institutional framework for development assistance and establish a professional development agency (under the coordination of MFA) to manage the entire Czech ODA programme. The existence of such expert institution should enable result-based and poverty focused development interventions;
- ♦ implement adequate procedures to improve transparency and aid effectiveness as well as international and national coordination;
- ♦ make necessary budget increases to reach their commitment to spend 0.17% of GNI by 2010.

Czech Republic total ODA and % ODA/GNI

