



Czech Development Agency



CZECH REPUBLIC
DEVELOPMENT COOPERATION

B2B Programme

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Prague, 15.11.2018



Czech Development Agency

The Czech Development Agency is a state organisation under the authority of the Ministry of Foreign Affairs of the Czech Republic and an implementing body of the development cooperation of the Czech Republic. The main aims of the Czech Development Agency include reducing poverty, improving quality of life and supporting sustainable development. Currently, it manages projects in six priority countries. The annual budget of the Czech Development Agency is approximately CZK 500 million.



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Development aid as a business opportunity

- Obtaining references from the territory, easier participation in tenders of IFIs (SB, EBRD, ADB ...).
- The ability to find a business partner, networking.
- Demonstration export, export of new technologies and know-how.
- Assistance to third countries is attractive for company employees, raising skills and gaining experience from international projects.
- Overcapacity on European markets – chance to expand into new markets.
- Obtaining state support of the Czech Republic (through Czech business partners) – increasing the credibility of the company (product) and taking away risk of entering the development market.



Private sector participation

Businesses can engage in two ways:

1) Tenders:

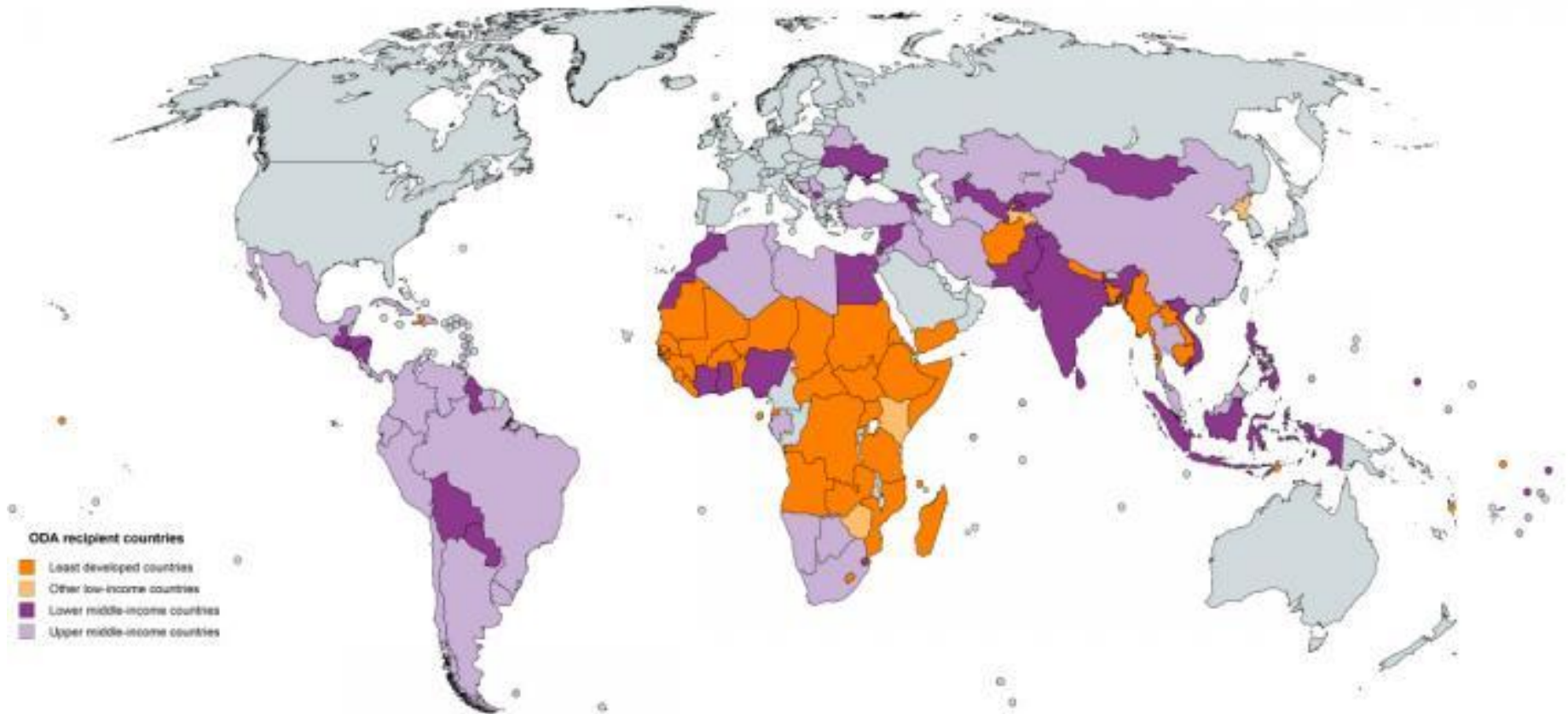
- Since 2018 tenders will be announced for six priority countries: Bosnia and Herzegovina, Cambodia, Ethiopia, Georgia, Moldova and Zambia.

2) Grants (under the de minimis state aid scheme):

- **B2B Programme** – grants for innovative business ideas with the potential to address development issues in all developing countries (according to the OECD/DAC classification).



Developing countries according to the OECD/DAC classification





Basic information about the B2B Programme

Aims of the Programme

1. Involve the private sector in the fulfilment of objectives of the Czech Republic's development cooperation and Sustainable Development Goals (SDGs).
2. Development of the private sector in third countries.

→ **Development of the private sector in partner countries through the Development Partnership with Czech Companies (B2B).**

Context: 1. New UN Strategy – Agenda 2030 (SDGs), emphasises the role of the private sector in addressing the challenges of the developing world – economic, social, environmental issues, etc. – companies bring innovations, know-how, funding sources, job creation; 2. Aid Effectiveness: Pusan, 2011 (crucial role of the private sector).



B2B Programme – 4 grant pillars

Preparation

Feasibility Study

Business Plan

Feasibility Study, follow-up funding from IFIs

All developing countries
Max. CZK 250,000
1 year
up to 50% co-financing

Preparation of a **Business Plan**, market entry opportunities, partner identification

All developing countries
Max. CZK 250,000
1 year
up to 50% co-financing

Implementation

Project Realisation

Project Documentation

Establishment of **Business Partnership**

All developing countries
Max. CZK 5 million
3 years
up to 50% co-financing

Project Documentation, technical solution, tender preparation

All developing countries
Max. CZK 5 million
3 years
up to 50% co-financing



Feasibility Study

- **Technical solution of a development problem in the country.**
- **Documentation (study) can be used by local partners (municipalities, organisations, state administration) for launching a tender which will be funded by local partners or by IFIs (EBRD, WB, ADB etc.).**
- **Grant up to CZK 250,000 (max 50% co-financing).**
- Eligible costs: travel expenses, wages, translations, subcontracts, etc.
- **Project examples:**
 - Cleaning of municipal water in the town of Bela Crkva
 - Precise mapping of dangerous areas without the presence of a surveyor in Afghanistan
 - Utilisation of pyrolysis burning technology for processing of oil palm waste in Indonesia



Business Plan

- **Examination of market potential – competition, demand, local partnership.**
- **The resulting business plan should serve as a tool to obtain commercial financing, an investor or subsequent subsidies.**
- **Grant up to CZK 250,000 (max 50% co-financing).**
- Eligible costs: travel expenses, wages, translations, subcontracts, etc.
- **Project examples:**
 - Rural electrification through solar batteries (Ghana)
 - Modern technology for fish and pig breeding facilities (Angola)



Implementation – Project Realisation

- **We support innovative business ideas (in developing countries) of this type:**
 - **Company is entering a new market** – supporting activities for setting up a representation in the country. We finance: necessary certification, legal services, rental of premises.
 - **Company is transmitting its know-how** – demonstration export, training of employees, representatives or clients, study visits to the Czech Republic.
 - **Company supports development of the private sector on the spot**
 - Support of Czech and local companies in the Czech interest: e.g. Czech technology supply, use of know-how owned by a Czech entity.
 - Company may have an established branch on the spot, new business or Joint Venture.



Implementation phase

- **Grant: up to CZK 5 million for 1–3 years (max 50% co-financing).**
- **Project examples:**
 - Support for cooperation in the process of growing, certification, finalisation and export of high-quality organic production from Moldova
 - Implementation of the system for milk control and heredity in the Zhitomir region – Ukraine
- **In order to apply for a grant in Project Realisation it is necessary to attach an elaborate **business plan**.**
- **In order to apply for a grant in Project Documentation it is necessary to attach an elaborate **feasibility study**.**
- Eligible costs: travel expenses, wages, subcontracts, demonstration export, study visit to the Czech Republic, training, etc.



Assessment criteria

- **Development impact of the project** (transfer of know-how and technologies, development of the private sector in the given country – the creation of new jobs, introduction of production and working standards etc., reference to priorities and cross-cutting themes of the Czech development cooperation, fulfilment of Sustainable Development Goals);
- **Relevance to the territory** (timing of the intervention, if the country and project site are appropriately selected, compliance with government priorities or the objectives of the Czech ODA for projects in ODA partner countries);
- **Sustainability and financial adequacy** (the possibility to follow-up financing and application of the study is important for feasibility studies; for business plans their commercial eligibility and financial returns are assessed, project realisations are assessed in terms of the selected business strategy and financial returns; generally speaking, the multiplying potential of the solution and long-term sustainability of activities).
- The amount of **co-financing** will not be taken into account when assessing the application (however, it must be at least **50%**).



How to submit the application

- **Fill in the application** (formal details: identification number, seat of the company, executive officers etc.).
- **Attach necessary documents** (project description, work plan, budget, declaration of honour).
- Additional information
 - The grant is paid at the end of the year according to the submitted accounts and invoices.
 - The last activity and billable item is appointed to November 15th 2019.
 - For a multi-year project, the company must re-submit an application each year.
 - Include only the total cost of the requested activities in the application not the total cost of your work in the country.
 - **It is not necessary to maintain the co-financing rate indicated in the application, but the subsidy recipient must cover at least 50%.**



B2B Programme schedule

B2B Programme sets the following schedule:

- **mid November** – first call of the B2B subsidy programme for the following year (all four subsidy pillars opened – Preparation and Implementation)
- **mid January** – Deadline for the submission of applications
- **April/May** – second call of the B2B subsidy programme (opened only for Feasibility studies and Business plans) – also in this case, the last activity and billable item is appointed to **November 15th**



Additional information

- **Max one application in one announcement**
- **Date for submission of the final documentation: 15.11.**
- **The role of Embassies:**
 - We encourage you to familiarise a relevant (local) embassy with your business idea and inform them about signing up for the B2B Programme.
 - The Embassy can give you feedback → experience from the territory.
 - During the selection of projects the Embassies will express their views on the submitted applications.



Statistics 2018

- **Number of submitted applications for the first call: 77**
- **Number of selected projects: 42**

- **Number of submitted applications for the second call: 34**
- **Number of selected projects: 24**

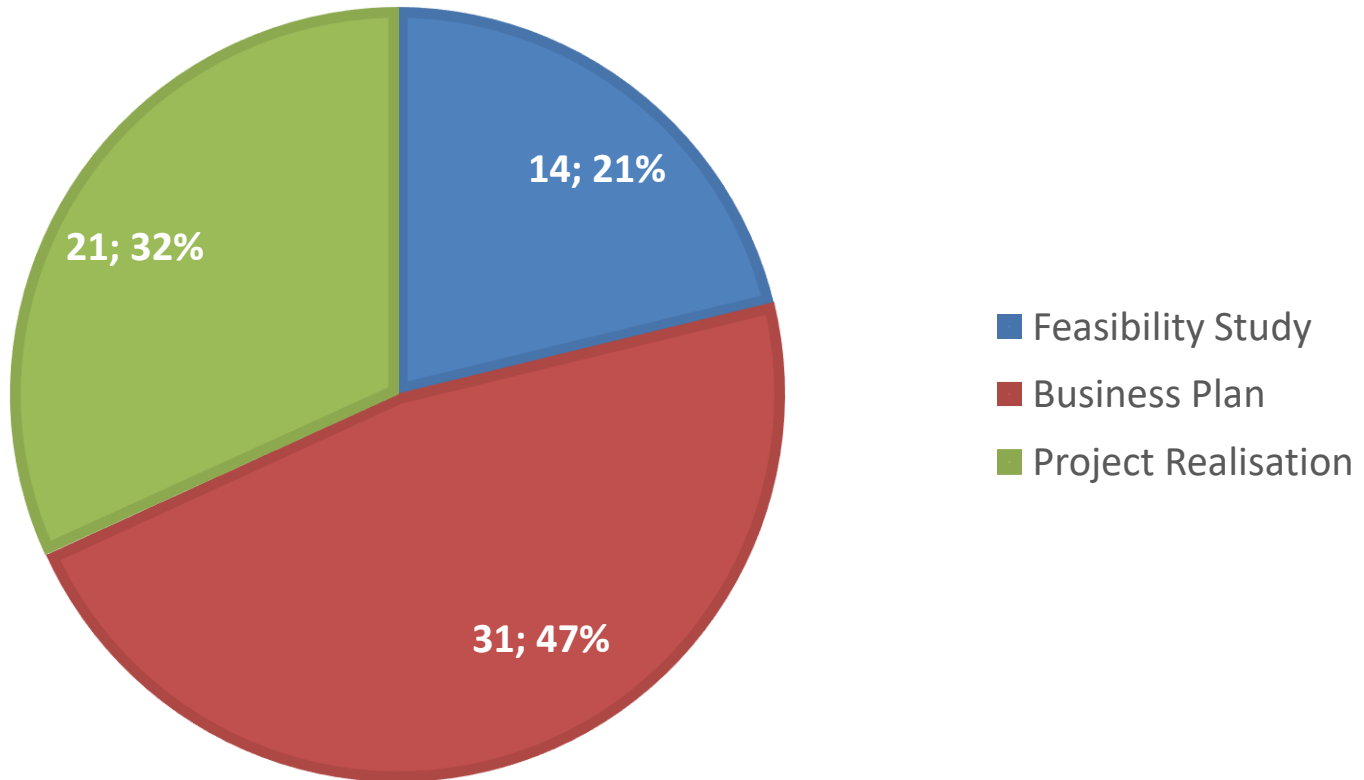
- **66 selected projects in 2018**
- **111 applications in 2018**



Statistics 2018

Number of projects per grant pillar

NUMBER OF SELECTED PROJECTS: 66





Activities

- **To see current Announcements go to our website: www.czechaid.cz**
- **Other activities and invitations on social networks [FB](#), [LinkedIn](#)**
- **Service within the Client Centre CzechTrade (service # 16)**
- **We are ready to answer your enquiries by email, telephone or in person.**



Thank you!

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