

Annex No. 2: Overview of impacts and the time schedule of the implementation of Country Specific Recommendations

CSR number	Recommendation	Resp.	Measure name	Measure type	Measure description	Target status	Expected impacts of the measure	Impacts on the state budget	Contribution to fulfilment of Europe 2020 goals	Progress up to now	Current status and further planned steps including timeline	Identification of possible risks of the measure's implementation
1: Budget strategy	a) Implement as envisaged the budget for the year 2013 so as to correct the excessive deficit in 2013 in a sustainable manner and achieve the structural adjustment effort specified in the Council recommendations under the EDP.	MF	Consolidation strategy fulfilment	Legislative (approved state budget for 2013, Act No. 504/2012)	Pursuant to the notification of the government deficit and debt of 2014, the government finance in 2013 achieved a deficit of 1.5 % of the GDP.	Abrogation of the excessive deficit procedure opened for the Czech Republic in 2009.	Consolidation of budget management for the government institution sector.	The state budget deficit was originally expected to be 100.6 billion CZK. According to current data, it was 81.3 billion CZK. This deficit figure has not been adjusted to eliminate the effect of financial operations and does not take into account the effect of transactions of the National Fund and privatization income.	Strengthening and thorough implementation of the budget strategy overall supports the fulfilment of the goals of the Europe 2020 strategy.	The target set in the Convergence Programme shall not be exceeded.	The 2013 budget year has already been completed.	The decision to abrogate the excessive deficit procedure is fully within the authority of the EU Council. It depends not only on the results of the April notification of the GDP, but also on an assessment of the sustainability of keeping the governmental institution budgetary deficit under 3 % of GDP in the coming period. This is assessed based on the spring fiscal forecast performed by the European Commission.
	b) For the year 2014 and beyond, reinforce and rigorously implement the budgetary strategy, supported by sufficiently specified measures, in order to ensure an adequate fiscal effort to make sufficient progress towards the MTO.	MF	The 2014 state budget and the mid-term outlook for 2015 and 2016.	Legislative (approved state budget for 2014, Act No. 475/2013 and Act No. 218/2000, on budgetary rules)	The binding nature of the mid-term expenditure framework ensues from Act No. 218/2000, on budgetary rules and its amendments (Act No. 501/2012) governing the contents of expenditure framework amounts.	The current fiscal strategy presented in the Czech Republic's 2014 Convergence Programme with a government sector deficit of 1.8 % of GDP in 2014. In 2015 and 2016 we expect deficits of 2.3 % of GDP and 2,0% respectively, in 2017 a decline to 1,7 % of GDP.	The government is planning partial measures in the area of direct and indirect taxation as well as some modifications on the government expenditure side. An important step is the decision to repeal Act No. 458/2011. However, the government continues to consider increasing public sector and tax collection efficiency as important. The government's strategy is counting with a neutral impact of fiscal policy in the years 2015 – 2017.	REVENUES In the year 2015 a mild decrease of revenues will appear due to introduction of 2 nd reduced rate of VAT and parametric changes of personal pension tax. On the contrary, the increase of revenues should be brought about by changes of excise tax on tobacco products and the adjustment of social and health insurance bases. Overall, a slightly negative effect of planned measures for the year 2015 is expected. In 2016, when the unification of present VAT rates to the level of 17.5 % should have happened, the government plans their keeping at the present levels of 15 and 21 %. EXPENDITURES On the expenditures side, the termination of pension indexation formula restriction from 2015, a slight increase in social benefits and state administration wages will have an effect. The expenditures in the area of healthcare shall be also increased.	Strengthening and thorough implementation of the budget strategy overall supports the fulfilment of the goals of the Europe 2020 strategy.	In its Resolution No. 729 of 25 September 2013, the government approved the draft mid-term state budget outlook and draft mid-term expenditure frameworks for 2015 and 2016. The government's new fiscal strategy is described in the Convergence Programme updated for 2014-2017.	The Chamber of Deputies of the Czech Republic (CD CR) approved the state budget via Act No. 475/2013. It approved overall 2014 state budget revenues of 1099.3 billion CZK. It also approved overall 2014 state budget expenditures of 1211.3 billion CZK. The new government has also avowed to maintain the government institution sector budget deficit under 3 % of GDP. Regarding the government's stance on the Integrated Revenue Agency (IRA), see Part 2. Tax Policy.	Although the proposed state budget for 2014 and the mid-term budgetary outlook have been set to support the economy and maintain the government institution sector budget deficit under 3 % of GDP, completing of the procedure for an excessive deficit in the case of a positive assessment by EU institutions that this is taking place in a trustworthy and sustainable manner will only be the first step. For the Czech Republic, it continues to be the case that in the mid-term outlook it should achieve the medium-term budgetary objective, which is a structural deficit of 1 % of GDP.
	c) Prioritise growth-enhancing expenditure.	MF	The 2014 state budget and the mid-term outlook for 2015 and 2016; the	Legislative (approved state budget for 2014, Act No. 475/2013 and	The budget respects the need to invest into education, research and development,	Due to an unfavourable economic trend, the Czech Republic's fiscal strategy has been configured, within the	The measure should contribute to improving the economy and its competitive ability.	Public expenditures for research, development and innovation (RDI) will represent, without pre-	It will contribute meeting goal 1 in the area of employment, goal 4 in the area of	The 2014 state budget and the mid-term outlook for 2015 and 2016 were approved – see part 1(b).	See part 1(b). When putting together the state budget (for	Possible problems with timely and successful implementation of projects co-financed

CSR number	Recommendation	Resp.	Measure name	Measure type	Measure description	Target status	Expected impacts of the measure	Impacts on the state budget	Contribution to fulfilment of Europe 2020 goals	Progress up to now	Current status and further planned steps including timeline	Identification of possible risks of the measure's implementation
			budgets of individual state funds.	Act No. 218/2000, on budgetary rules, Act No. 501/2012)	transportation infrastructure, and other pro-growth measures. Disbursement of EU funds for these purposes is also expected.	scope of its limited options, to support the improvement of the Czech economy. This is why the amounts of the mid-term expenditure framework for 2014 and 2015 were increased.		<p>financing from European funds, 26.6 billion CZK in all three years 2014, 2015 and 2016. For 2014, these expenditures, including estimated EU funding, will be 34.6 billion CZK. The share of GDP for 2013, including European funds, will be 0.86 % according to current calculations; without these funds it will be 0.66 %.</p> <p>Published data does not take into account the entire government institution sector (e.g. public universities, public research institutions – only their subsidies from the state budget). It also does not include claims from unspent expenditures and possible higher pre-financing from EU funds.</p> <p>There is also a year-on-year increase in expenditures for transport infrastructure financed from the State Fund for Transport Infrastructure, which in 2014 will be 46.6 billion CZK (compared to expenditures of 44.7 billion CZK in 2013).</p> <p>Expenditures in the Ministry of Industry and Trade chapter of the budget are also increasing due to support of renewable resources.</p>	education, and goal 2 in the area of research, development and innovation.		2015 and subsequent years), the government will strive to, among other things, support economic growth. (The government's aim is also to support employment, families with children and a functional state.)	from the EU budget.
	d) Committing on time remaining projects co-financed by EU funds under the current financial framework.	MT, ME, MIT, MRD, MEYS, MLSA	Continue to sign Contracts/Decisions on providing subsidies with recipients from EU funds.	Non-legislative.	Managing bodies of 2007-2013 operational programmes should issue final invitations, create and utilize project reserves so that the overall allocation is used up.	V Use up allocation for the 2007-2013 programme period and meet goals set at the level of operational programmes.	An impact assessment for interventions during the 2007-2013 programme period will be performed after some time has passed.	In the case of recommitment of 2007-2013 operational programmes, obligations from Contracts/Decisions on providing subsidies from national public resources (i.e. also from the state budget) should be paid.	The 2007-2013 programme period was primarily tailored to the needs of the Lisbon Strategy. Nevertheless, some supported activities during 2007-2013 also contribute to fulfilling the Europe 2020 strategy.	From the beginning of the programme period up to 3 January 2014, the subsidy Decisions/Contracts cover 91.4 % of allocations for the 2007/2013 programme period.	The date for conclusion of subsidy Contracts/Decisions depends on the final date for expenditure eligibility, 31 December 2015. All recipients must pay all eligible expenditures by this date.	
2: Tax policy	a) Reduce the high level of taxation on labour by shifting taxation to areas less detrimental to growth, such as recurrent taxes on housing and vehicle	MF	Increased property tax rates from 2013 onward.	Legislative (Act No. 500/2012, the "Anti-deficit Package", Act No. 344/2013, a Legal Measure of the Senate on changes to tax laws related to recodification of	In 2013, the real estate transfer tax rate increased by one percentage point.	The goal of increasing the real estate transfer tax rate was not only to increase state budget revenues, but also to increase the share of property taxes, which in the Czech Republic is relatively low compared to other	Increasing the share and the amount of property taxes can contribute to making room for a reduction of taxation on labour. Any reduction in the taxation on labour will reduce companies'	A real estate transfer tax increase effective 2013 has a budgetary impact of 1.8 billion CZK.	A contribution to meeting goal 1 in the area of employment and to meeting goal 5 in the area of poverty reduction. Also an impact on	See passed legislation.		

CSR number	Recommendation	Resp.	Measure name	Measure type	Measure description	Target status	Expected impacts of the measure	Impacts on the state budget	Contribution to fulfilment of Europe 2020 goals	Progress up to now	Current status and further planned steps including timeline	Identification of possible risks of the measure's implementation
	circulation taxes.			private law, and on changes to some acts)		countries.	overhead and improve their competitiveness in an international context.		fulfilment of recommendation no. 1.			
		MF	Exemption of some income from taxation or increasing tax deductions.	Legislative (Act No. 500/2012, the "Anti-deficit Package", Act No. 344/2013, a Legal Measure of the Senate on changes to tax laws related to recodification of private law, and on changes to some acts)	In 2014, the exemption limit for some occasional income was raised, and for the limit for deduction of gifts was raised by 5 percentage points.			The measures reduce government sector revenues by approx. 0.3 billion CZK beginning with 2014.	A contribution to meeting goal 1 in the area of employment and to meeting goal 5 in the area of poverty reduction. Also an impact on fulfilment of recommendation no. 1.	See passed legislation.		
		MF	Implementation of sector taxation is being considered.	Legislative	Sector taxation for some regulated areas such as finance, energy, telecommunications and gambling is being considered.	Achieving the same effective tax burden as in other sectors.	Achieving the same effective tax burden as in other sectors. Boosting the revenue side of public budgets.	Boosting the revenue side of public budgets by several billion CZK.	Can contribute to fulfilling recommendation No. 1.	Up to now only analyses are being made, a decision will be made in the future regarding adoption of these measures.	Up to now only analyses are being made, a decision will be made in the future regarding adoption of these measures. Measures will come into effect in 2016 at the earliest.	Will be added based on further developments.
	b) Further reduce discrepancies in the tax treatment of employees and the self-employed.	MF	Set a ceiling on flat rate deductions (within the scope of the "Anti-Deficit Package")	Legislative (Act No. 500/2012)	The measure reduced the tax disproportion between self-employed individuals and employees by setting a ceiling for flat rate deductions for entrepreneurs. If s/he uses these flat rate deductions, the taxpayer is restricted in the use of some tax benefits (deductions for child support, a husband or wife without their own income).	Reduce differences in the taxation approach to employees and self-employed individuals.	Reduce differences in the taxation approach to employees and self-employed individuals.	The expected budgetary impact in 2013 is +2.5 billion CZK.		Implementation of measures to set a ceiling for flat rate deductions for entrepreneurs effective as of 1 January 2013.	The measure is effective as of 1 January 2013.	
		MF	Harmonization of the tax and insurance base.	Legislative	Parametric changes in harmonized tax and insurance rates, which are expected to come into effect in 2016, would reduce differences in taxation levels between the self-employed and employees.	Narrowing the tax burden gap between employees and the self-employed.	After an analysis of contributions for employees and the self-employed into public budgets, the government shall propose measures that will contribute to a more just distribution of the cost of financing public services.	Will be possible to state only after the relevant analysis have been performed.		Work on harmonized tax and insurance bases continues.	Parametric changes in harmonized tax and insurance rates, which are expected to come into effect in 2016. An analysis of contributions for employees and the self-employed into public budgets is currently taking place, based on which changes will be proposed.	Will be added based on further developments.
		MF	Restriction of flat-rate deductions for the self-employed.	Legislative	Parametric changes in harmonized tax and insurance rates, which are expected to come into effect in 2015, would reduce differences in taxation levels between the self-employed and employees. A ceiling of 2 million CZK annually will be set on income for which a flat-rate deduction can be used (60 %). Taxpayers utilizing flat-rate deductions will be able to claim only the basic personal deduction.	Narrowing the tax burden gap between employees and the self-employed and a more just distribution of the cost of financing public services.	Reduce differences in the taxation approach to employees and self-employed individuals.	An increase to government sector revenues by approx. 1.3 billion CZK in 2015.		Starting in 2013, ceilings were put into place and restrictions implemented on claims for supported children and spouse. Work on harmonized tax and insurance bases continues.	Parametric changes to harmonized base rates is expected beginning in 2015.	Will be added based on further developments.

CSR number	Recommendation	Resp.	Measure name	Measure type	Measure description	Target status	Expected impacts of the measure	Impacts on the state budget	Contribution to fulfilment of Europe 2020 goals	Progress up to now	Current status and further planned steps including timeline	Identification of possible risks of the measure's implementation
	c) Improve tax compliance and reduce compliance costs by establishing a Single Collection Point and harmonising the tax bases for personal income tax and health and social contributions.	MF	The Integrated Revenue Agency (IRA) project. Extended transfer of tax liability for some fulfilment within the scope of VAT.	Legislative (the government proposes that Act No. 458/2011, on restricted IRA functionality, be repealed, but supports the basic ideas of the IRA – a more precise approach is not yet specified; the draft act governing insurance premium parameters from 2016	The project's goal was not only to increase the effectiveness of tax revenue collection or to reduce the administrative burden on taxpayers, but was also to have improved communication between individual tax administrators, which would reduce the risk of tax evasion. Tax and insurance bases were to have been harmonized as much as possible, and the premium rate for health and pension insurance for employees and the self-employed was to have been aligned, as well as the length of their insurance and taxation periods.	Continued implementation of tax measures to reduce tax evasions. Maximum possible harmonization of tax and insurance bases.	A reduction of the risk of tax evasion.	<i>Cannot be specified without a more in-depth work on the government's goals.</i>	A contribution to fulfilment of initiative 5 in the area of improving the business environment. Also a contribution to the fulfilment to recommendation no. 1.	<i>For now at the level of government intent, details are yet to be worked out.</i>	Submission of the draft act changing insurance premium parameters from 2016 to the government is expected during the first half of 2014.	<i>It will be possible to assess risks only once the intent is worked out in greater detail.</i>
		MF	Effective as well as draft acts related to value-added tax and excise taxes on mineral oils.	Legislative (Act No. 234/2013, changing Act No. 311/2006, on fuels, Act No. 502/2012, changing Act No. 235/2004, on value-added tax, Act No. 353/2003, on excise taxes).	The Act implements stricter conditions for fuel traders and also increases the deposit required for these transactions. In the area of VAT, several concepts have already been implemented that reduce the possible level of tax evasion, such as for example the concept of the unreliable registrant, the obligation to use verified bank accounts, or temporary shortening of the taxation period for new VAT registrants. In the area of excise taxes, the change is in the calculation of the tax deposit required from authorized recipients for repeated purchase of fuels, and the implementation of a register of subjects handling special mineral oils (especially lubricating oils).	Continued implementation of tax measures to reduce tax evasions.	Reduction of the scope of tax evasion.	The budgetary impact of measures that help fight tax evasion is very difficult to express explicitly. In the area of trade in fuels, a positive impact is expected on the revenue side of the budget in the sense of a reduction in tax evasion in the area of fuel trading. According to estimates, VAT evasion related to offences in the area of fuel trading amounts to as much as 8 billion CZK annually.		See column no. 3. Act No. 234/2013 is effective from 1 October 2013, and Act No. 502/2012 from 1 January 2013.	Related legislative is already effective and in force. Changes in the area of the act on excise taxes should be submitted to the government by June 2015.	Risks cannot be identified at this time.
		MF	Digitalization of tax administration		Within the scope of measures to improve tax collection, digitalization of tax administration, performing effective verification of retail revenues from the sale of goods and services, and a lowering of the cash payment limit (from 15k to 10k EUR) are being prepared.	The goal is across-the-board implementation of possible tax statement filing from 2015.	Reduced administrative costs for the tax administrator and the taxpayer alike.	Slightly positive.	Contributes to meeting initiative 5 in the area of improving the business environment.	The measure is being prepared.	Across-the-board implementation of possible tax statement filing from 2015 is being prepared. A possible discount for VAT registrants who submit their tax statements electronically is being considered.	Will be added based on further developments.
3: Long-term	a) Increase the effective retirement	MLSA, MF	Implementation of a mechanism to	Legislative	The measure shall establish the obligation to	The goal is to entrench a mechanism that will govern	Via regular assessments, the measure should	The measure should help with the sustainability of	Can have a partial effect on the targets	The Ministry of Labour and Social Affairs (MLSA)	The conceptual material is currently in the phase	The main identified risk of implementation is

CSR number	Recommendation	Resp.	Measure name	Measure type	Measure description	Target status	Expected impacts of the measure	Impacts on the state budget	Contribution to fulfilment of Europe 2020 goals	Progress up to now	Current status and further planned steps including timeline	Identification of possible risks of the measure's implementation
public finance sustainability	age by aligning retirement age or pension benefits to changes in life expectancy, and review the indexation mechanism.		regularly review the rate of retirement age increase.		prepare a report at regular intervals that assesses the demographic trends. The report's main output will be a prediction of the trend in the main indicator – the expected mean length of life after reaching retirement age. If the expected trend in the main indicator deviates from required values (i.e. if the amount of time spent in retirement deviates from required values, and especially if this would mean the threat of increased expenditures in the pension system), a process will be triggered that will oblige the government to present a proposal for an adequate reaction to the expected deviation of the trend in the main indicator, and submit it to the Parliament.	regular checks and if required review of the rate of increase of the retirement age so that the average amount of time spent in retirement does not change significantly.	establish a closer tie between demographic factors (the life expectancy) and parameters of the pension system (statutory retirement age).	public finances (the pension system) in the case of a different demographic trend than is currently expected. Specific effects of the measure depend on currently unknown future trends in demographic parameters in the Czech Republic.	of the Europe 2020 strategy in the area of increasing employment (Target 1).	has prepared an analysis of experiences of EU member states in the area of linking the life expectancy with retirement age; there is also related internal material for discussion that analyzes the possibility of creation of the required mechanism.	of internal expert consultation between the MLSA and the Ministry of Finance. In the coalition agreement the government presumes that a special commission shall be set up under the aegis of these two ministries, which shall then prepare further steps.	the fact that at this moment there is no definitive agreement on an institution that would have an optimum form and status to materially and staff-wise secure the functioning of the mechanism under consideration.
		MLSA	Review of the indexation mechanism	Legislative	A draft amendment was prepared concerning the indexation formula according to which pensions will be indexed by 100 % of the growth in the CPI and 1/3 of the growth of real wages. In 2015, it will simultaneously be guaranteed that pensions will increase by at least 1.8%.	A change to indexation rules with a positive income on the purchasing power of pensioners' households.	The change in pension indexation will help stop the decline in the real value of pensions and to restrict the reduction in pensioners' standard of living.	A negative impact of roughly 5 billion CZK annually.	A positive effect on fulfilment of one of the targets of the Europe 2020 strategy: a reduction in the number of individuals threatened by poverty or social exclusion (Target 2).	The amended Act on Pension Insurance was adopted by the government on 9 April 2014.	The amendment shall now be submitted to the Chamber of Deputies of the Parliament of the CR. Passage in one reading has been proposed.	If the amendment is not passed in the CD PCR in one reading, the risk that the legislative process will not be completed by 31 August 2014 increases. A later end date for the process would threaten the practical implementation of the change.
	b) Accompany the increase in retirement age with measures promoting employability of older workers and reduce early exit pathways.	MLSA	"Generational Tandem – Support for Generational Exchange" projects	Non-legislative	Projects focused on supporting intergenerational exchange and solidarity. Workers of pre-retirement age train newly hired employees from the ranks of job seekers who either have no work experience or spent a long time off of the labour market (parental leave). The employer will receive a financial contribution for both employees. This is a pilot project in three regions – Karlovy Vary, Olomouc and Central Bohemia.	A greater degree of security for pre-retirement age employees on the labour market, smooth intergenerational exchange on the labour market. Job sharing.	The projects will help keep pre-retirement age employees (about 18 months prior to eligibility for a standard old-age pension) employed and will boost their security on the labour market. It will also contribute to intergenerational exchange, and transfer of experience and qualifications – qualification requirements on the labour market will be aligned.	Pilot projects for three regions were submitted in February 2014 and are now in the assessment and approval phase. The impact on the state budget cannot thus be quantified; the projects will be implemented as individual regional projects financed by the ESF. However, in general it shall be positive, as it will prevent dismissals of pre-retirement age employees (this group has the right to 11 months of unemployment benefits), or their exits into economic inactivity, while on the other hand helping young people enter the labour market, as well as those re-entering the labour market after	The projects will help meet the target of employment rate of older workers.	The projects were submitted in February 2014 and are in the assessment and approval phase. Their scope shall correspond to the amount of funds from the OP Human Resources Development.	The projects are in the assessment and approval phase. Pilot verification of the tools shall take place in selected regions with the support of about 1000 pre-retirement age persons and the same number of persons (re-)entering labour market. The pilot evaluation should commence at the beginning of 2014.	Not identified.

CSR number	Recommendation	Resp.	Measure name	Measure type	Measure description	Target status	Expected impacts of the measure	Impacts on the state budget	Contribution to fulfilment of Europe 2020 goals	Progress up to now	Current status and further planned steps including timeline	Identification of possible risks of the measure's implementation
		MLSA	Get Trained For Growth! – Job Opportunities (VSPR-PP)	Non-legislative (Active Employment Policy measure)	An increase of the maximum contributions for an employee who is hired by an employer from among job seekers 55+.	Increased employment of older persons	Positive impact on employment of persons 55+.	parental leave. Cannot be determined, in light of the fact that the volume of persons over the age of 55 actually supported cannot be indicated.	Increased employment rate of older persons	Through Addendum No. 2 to Directive of the General Directorate of the Labour Office of the Czech Republic No. 5/2013, effective since 19 September 2013, the text of Annex No. 1 to this directive was changed to increase the maximum contribution limit within the scope of public works and subsidised jobs – reserved for job seekers 55+ to 24,000 CZK per month.	Currently the methodology (contribution amount) of the existing project is being modified.	Insufficient funds for implementation, insufficient interest on the part of employers to hire older workers for subsidized jobs despite the higher contributions.
		MF	Claiming basic personal exemptions for working pensioners.	Legislative	Starting in 2015, working pensioners will be able to claim basic personal deductions.	Return to the status that existed prior to 2013.	A negative impact of approx. 2.5 billion CZK.	A negative impact of approx. 1.5 billion CZK.	Reduction of poverty, increasing employment of older persons.	Discussions are currently being held on effective dates.	Discussions are currently being held on effective dates. The expected effective date is in 2015.	Will be added based on further developments.
		MLSA	Social insurance discount for selected employee categories	Legislative (an amendment to the Act On Social Security Contributions).	A discount on social security contributions in order to increase employment of vulnerable groups on the labour market.	Increased employment of older persons	A positive impact on the employment of older persons	Precise parameters are not defined yet (scope, amount, discount duration). Negative impacts in the form of state budget revenue reductions should be compensated by a reduction in expenditures and increased revenues due to higher employment and lower inactivity and unemployment.	Increased employment of older persons	The measure is in the government's Programme Declaration.	Specific parameters of the measure are currently being defined. The measure could come into effect in 2015.	
	c) In particular, remove the public subsidy for the pre-retirement scheme.	MPSV, MF	Not expected	During the negotiations of the EU Council, the Czech Republic consistently raised objections to this recommendation, in light of the very small number of citizens who participated in the pre-retirement system (as at 31 December 2013, pre-retirement benefits were being paid out to 274 individuals, which represented a public budgetary expenditure for health insurance of approx. 1 million CZK). In light of the negligible impact of pre-retirement on the area of public finance and employment, as well as taking into account consensus by social partners for this measure, no change is expected for the time being. Moreover, this is not an early retirement scheme, rather a possibility to utilize one's own savings during a period close to retirement age, when it can be difficult to find a job. By taking advantage of the scheme, participants in the supplementary pension insurance system can avoid a permanent reduction of their old-age pension, which would take place in the case of early retirement. We cannot talk about a public subsidy for pre-retirement scheme, because the state contribution is given to all participants in supplementary pension insurance, regardless of what type of pensions benefit they opt for, which can also be pre-retirement (it is just a specific type of pension benefit from supplementary pension insurance that meets specified characteristics).								
	d) Take measures to significantly improve cost-effectiveness of healthcare expenditure, in particular for hospital care.	MH	Reduction of regulatory fees	Legislative (an amendment to Act No. 48/1997, on public health insurance)	Cancellation of fees for outpatient services (except for emergency wards) and for prescriptions	Citizens will not have to pay regulatory fees for visiting outpatient specialists and for prescriptions.	Elimination of the burden of co-payment by patients.	A negative impact of approx. 2.9 billion CZK.	Poverty reduction.	Fees were cancelled as of 1 January 2014.	Legislative changes are under preparation.	
		MH	Increased contributions for those insured by the state and their regular valorization.	Legislative (an amendment to Act No. 592/1992, on general health insurance premiums)	Increased contributions for those insured by the state (children, students, the unemployed, pensioners). Regular valorization of contributions for state employees taking into account growth in the average wage.	An increase in contributions from the current 787 CZK to 845 CZK. A functional system of regular valorization.	Financial stability of the healthcare sector. Adequate income from contributions for those insured by the state.	A positive impact of approx. 2.1 billion CZK in 2014.	Poverty reduction.	The government approved the intent to increase contributions in March 2014.	Submission of legislation to the government of the CR in March 2014. Passage by the Chamber of Deputies in May 2014 (using an accelerated legislative process). Draft legislation for regular valorization will be submitted to the government by 31 December 2014, with its effective date being at latest from 2016.	
		MH	A reduction in health insurance companies' reserve fund.	Legislative (an amendment to Act No. 280/1992, on departmental, sectoral, company and other health	A reduction in health insurance companies' reserve fund by an entire half, i.e. from the current 1.5 % to 0.75 %.	A reduction in health insurance companies' reserve fund by an entire half, i.e. from the current 1.5 % to 0.75 %.	Partial saturation of the healthcare financial system.	A positive impact of approx. 600 million CZK in 2014.	Poverty reduction.		Legislation is being prepared. It will be submitted to the government by 31 July 2014.	

CSR number	Recommendation	Resp.	Measure name	Measure type	Measure description	Target status	Expected impacts of the measure	Impacts on the state budget	Contribution to fulfilment of Europe 2020 goals	Progress up to now	Current status and further planned steps including timeline	Identification of possible risks of the measure's implementation
					insurance companies and to Act No. 551/1991, on the General Health Insurance Company of the Czech Republic).							
		MH	Regulation of health insurance companies' overhead	Legislative	Legislation binding health insurance companies to invest less of their revenues into operations.	Savings will be available in the healthcare system	Financial stabilization of the healthcare sector.	A positive impact of approx. 600 million CZK in 2014.	Poverty reduction.		Materials are being prepared for government discussion. A draft will be submitted to the government by 31 December 2014.	
		MH	A transparent and controllable system for managing public funds.	Legislative (amendment of Act No. 551/1991 and Act No. 280/1992)	Implementation of a transparent and controllable system for managing public funds via mandatory publication of contracts and "production" addenda between health insurance companies and healthcare providers.	A transparent environment, financial savings.	Financial stabilization of the healthcare sector.		Poverty reduction.		Legislation is being prepared. A draft will be submitted to the government by 31 December 2014.	
		MH	Cultivation and development of the DRG system	Legislative	Improving state oversight of healthcare insurance transactions and of health insurance companies via a legislative measure.	Entrenchment of an evidence-based approach and cultivation of DRG. Clear methodology for payment mechanism used in providing healthcare	Health insurance companies will be more efficient in the future.	Cannot currently be quantified.	Poverty reduction.		Preparations for definition of tasks, statutes and procedural code of the planned analytical research institute for economics and quality in healthcare. Will be completed by 30 June 2014.	
		MH	Establish a device commission	Non-legislative	Establish a device commission composed of representatives of the Ministry of Health as well as members of the professional community, the Czech Medical Chamber, etc.	A functional device commission evaluating purchases of healthcare equipment supported by a thorough analysis of needs and options.	Effective use of financial resources.		Poverty reduction.		An internal regulatory measure of the Ministry of Health is being prepared. The commission will be established by 31 December 2014.	
4: Employment and childcare services	a) Make additional efforts to strengthen the efficiency and effectiveness of the public employment service.	MLSA	Development and modernization of employment services	Legislative (amendment to Act No. 73/2011, on the Labour Office of the CR)	Organizational changes, identification of "basic performance units" in order to higher involvement of selected group of Contact Offices in the implementation of employment policy, transfer of administration and responsibility for the information system from the MLSA to the Labour Office of the CR.	The Labour Office providing high-quality individualized services leading to increased employment and reduced unemployment, addressing issues related to regional and local labour markets, available to all job seekers, employers and other actors in the labour market.	Quantified impacts: creation of new jobs, savings in social policy, reduction of costs to employers. Unquantifiable benefits: better targeting and individualization of active employment policy support, improved availability and quality of services to job applicants and job seekers and employers.	The impact will be calculated after proposals for specific measures have been drawn up. Meeting specific recommendations will require increased expenditures from the state budget to cover additional staff for client-oriented services (guidance, counselling, placement).	Increasing the employment rate (20-64) to at least 75%; the "Agenda for new skills and jobs" initiative; the "European platform against poverty and social exclusion".	A legislative intention is currently being drafted.	The draft will be submitted and approved by the government by 30 September 2014.	Unsuitable set-up of competencies within the organizational structure of the Labour Office of the CR.
		MLSA	Targeted support for active employment policy.	Non-legislative	Increase employers' motivation to hire job seekers with several handicaps, or job seekers who have been registered at the Labour Office for a longer period, to subsidized jobs by changing conditions under which Active Employment Policy contributions are provided. An increased percentage of retraining	More targeted Active Employment Policy support, employers better motivated to hire job seekers, retraining focused on skills required on the labour market.	Job creation, increased employment, reduced costs to employers. Better targeting and individualization of active employment policy support, improved quality of services.	Within the scope of existing allocations of the budget chapter for active employment policy.	Increasing the employment rate (20-64) to at least 75%.	Modifications to guidelines for implementation of active employment policy contributions, a higher contribution limit for the most disadvantaged groups, implementation of targeted active employment policy tools and measures for specific groups (work experience for young people,	In the coming years, better targeting of active employment policy by profiling job seekers and other procedural changes so that contributions amounts better reflect disadvantages on the job market.	

CSR number	Recommendation	Resp.	Measure name	Measure type	Measure description	Target status	Expected impacts of the measure	Impacts on the state budget	Contribution to fulfilment of Europe 2020 goals	Progress up to now	Current status and further planned steps including timeline	Identification of possible risks of the measure's implementation
					focused on the trades and foreign languages.					generational tandem, activation work opportunities).		
		MLSA	Development of information systems and the digitization of services	Non-legislative	Implementation of a functional information system that interconnects all data related to employment services, development of self-service electronic systems, advisory and informational tools (aligning supply and demand on the labour market, digitization of the initial contact, etc.)	A functional information system interconnected throughout the Czech Republic, quick and available services for clients, i.e. job seekers and individuals in difficult life situations, relevant information on clients and the situation on the labour market, as prerequisites for improving and resolving the situation.	Job creation, cost savings in social policy, reduced costs to employers. Better targeting and individualization of active employment policy support, improved quality of services to job seekers and applicants, and to employers.	The impact will be calculated after proposals for specific measures have been drawn up with regards to legislative options; expected funding from the state budget.	Increasing the employment rate (20-64) to at least 75 %; the "Agenda for new skills and jobs" initiative; the "European platform against poverty and social exclusion".	From January 2014, the MLSA has temporarily returned to its original information system.	An open tender for a new information system is being prepared. The new system should be implemented from January 2015.	
		MLSA	Extension and tailoring of guidance and counselling services	Legislative (amendment to Act No. 435/2004, on employment)	Changed conditions for implementing individual action plans, better targeting of guidance activities for selection of appropriate active employment policy tools, improve individual approach; standardize guidance services, hire more guidance staff, better procedural guidelines.	Functional individualized services, especially in regions and locations with above-average unemployment, with a high percentage of long-term unemployment and a significant percentage of disadvantaged job seekers and handicapped.	Job creation, increased employment of disadvantaged job seekers, cost savings in social policy. Un-quantified benefits: Better targeting and individualization of active employment policy support, improved quality of services to job seekers and applicants.	No direct budget impact if the above measures are implemented.	Increasing the employment rate (20-64) to at least 75 %; the "Agenda for new skills and jobs" initiative; the "European platform against poverty and social exclusion".	On 8 January 2014, the MLSA issued certified "Methodology for the guidance process applied to job seekers at the Labour Office of the Czech Republic". The methodology was handed over to the user (Labour Office of the Czech Republic) for implementation in practice.	The methodology was drawn up within the scope of the MIKOP project that have an across-the-board impact on the provision of guidance services at the LO CR. Methodology development will end in March 2014, with subsequent trial verification in practice until August 2014. Final changes may be incorporated based on the results of the testing.	Insufficient staff capacity at the LO CR.
		MLSA	Methodology for individual and comprehensive work with clients of the Labour Office of the Czech Republic	Non-legislative	Creation of new methodology for work with clients of the LO CR and implementation of this methodology in practice. The methodology will cover three areas according to individual departments in the employment division (the Agency and Advisory Department, the Job Market Department, and the EU Projects Department). Resulting measures will be incorporated into internal management rules. The methodology will include an instruction manual for all-embracing work with a wide spectrum of clients of LO CR within the scope of comprehensive guidance services, leading to increased staff effectiveness. A capacity increase for services provided by the LO CR by strengthening staff of regional branches of the LO CR and increasing specialized knowledge and skills of LO CR employees.	Increased quality and scope of activities within the Employment Department of the LO CR through process standardization and integration. The systematic organization of new work procedures so that the entire system of services is as effective as possible. Ensuring clients are provided services or information on the entire range of services provided by the LO CR with the same level of quality at any branch (i.e. comprehensive work with the client) while simultaneously ensuring an individual approach to the client.	Increasing the quality of activities and services in the Employment Department at all LO CR branches, increasing employees' professional skills through courses and case study seminars	No direct impact	Increasing the employment rate (20-64)	The ESF MIKOP project (Methodology of individual and comprehensive work with clients of the EO CR) is being implemented.	The ESF MIKOP project (Methodology of individual and comprehensive work with clients of the LO CR) is being implemented. Methodology development will be completed in March 2014. Trial verification of this methodology will take place from April to June 2014.	Insufficient synergy between the LO CR and the MLSA. Failure to put the new methodology into practice through modification or creation of new management rules. Failure to perform organizational changes and job description changes in relation to the newly designed methodology.
		MLSA	Cooperation between the LO CR and	Non-legislative	Establishes appropriate conditions in the area of	Better quality services for employers within the scope	Higher quality public services for work with	No direct impact		Since 1 September 2013, local branches of the LO	Implementation of a project focusing on	Insufficient technical provisions for

CSR number	Recommendation	Resp.	Measure name	Measure type	Measure description	Target status	Expected impacts of the measure	Impacts on the state budget	Contribution to fulfilment of Europe 2020 goals	Progress up to now	Current status and further planned steps including timeline	Identification of possible risks of the measure's implementation
			employers in monitoring of vacancies		monitoring and tracking of vacancies. Reacts to the cancellation of employers' obligation to report vacancies to the LO CR. For this reason, the LO CR must change the way it works and establish new processes for services and targeted cooperation with employers.	of monitoring of vacancies in a comprehensive manner. Obtaining comprehensive information on vacancies. Increased level of information on vacancies.	clients and partners.			CR were strengthened by 319 new employees.	closer cooperation between the LO CR and employers began, including the monitoring of vacancies	monitoring of vacancies (interconnection of individual information systems, the National Qualification Framework and the National Occupations Framework, etc.)
	b) Increase significantly the availability of inclusive childcare facilities with a focus on children up to three years old, and the participation of Roma children, in particular by adopting and implementing the law on provision of childcare services and strengthening the capacities of both public and private childcare services	MLSA	A draft act on provision of childcare services in a children's group.	Legislative	The draft act stipulates conditions for the legal aspects of childcare services for children between one year and the compulsory school attendance, hitherto unregulated, by introducing a new type of service – supervision and care for children in a group. The draft act amends the Income Tax Act, as well as family-friendly tax measures, i.e. introduction of tax eligibility of an employer's cost of providing childcare services for his/her employees, and tax credits for parents who use childcare services in order to enter or return to the labour market.	Keeping contact of Parents with the labour market while caring for a child, and a gradual (re-)entry into the labour market taking into account their strategy in harmonizing their professional, family and personal life. The aim of the draft act is to broaden the range of childcare services for children between one year and compulsory school attendance. The measure will also have a positive effect on children, which will receive care of guaranteed quality.	Higher availability of services for parents, harmonization of professional and family life, flexibility of services according to their and their children's needs, earlier return of qualified staff. Reduction of training costs for new employees by up to 300,000 CZK per person, the ability to retain talented and experienced employees who are parents, increased company prestige, higher employee motivation and loyalty, clear conditions for caregiving, including setup and facility requirements, and stipulation of responsibilities for individual subjects.	Public budget revenues in connection with parents participating in the labour market as payers of taxes and contributions (estimated revenue for 2014 is 191 million), public budget revenues in connection with the fact that the contribution in kind will be included in the tax and contributions calculation base. An expected reduction in the number of social support and welfare recipients. State budget expenditure reductions in connection with registration and inspection of providers of group childcare services by approx. 1.5 million CZK. State budget expenditure reductions in connection with provision of childcare services in state organizations. A reduction in annual public budget revenues in connection with tax deductions for employers who provide childcare to their employees, and in connection with tax relief for employed parents.	A positive impact on the target of increasing the employment rate (20-64) to at least 75%.	Based on an approved legislative intention, the draft act on provision of childcare services in a children's group was prepared, and on 2 January 2014 this draft act was approved by the government.	The draft act was submitted to the Chamber of Deputies of Parliament for adoption.	The date of entry into force of the act depends on the course of the legislative process of the Parliament of the Czech Republic.
		MLSA	Harmonization of private, work and family life	Non-legislative	Introduction, development and active support for flexible employment. Support (including financial) for development of available childcare service (e.g. kindergartens, licenced trades in childcare, children's groups, etc.) and creation of conditions for the establishment, operation and development of social services (e.g. care services, drop-in centres, personal assistance and so on, as care facilities for other dependents), evaluate	Increase the use of flexible jobs, especially in state administration sector. Increase the supply of preschool childcare options and social services.	Increased employment rate of women due to better opportunities to reconcile their private, work and family lives. A contribution to eliminate gender inequalities in the labour market.	Revenues for public budgets due to participation of parents and those caring for family members in the job market.	A positive impact on the target to increase the employment rate (20-64) to at least 75%.	The measure was approved by the government on 15 May 2013. In connection with the approval of the professional qualifications of "Nanny for children up until the start of compulsory school attendance" and "Nanny for children's corners" (2012), in 2013 the Ministry of Labour and Social Affairs granted a total of 23 authorizations for the profession of nanny. A total of 32	Implementation status will be monitored during Q1 2014. MLSA is implementing two projects for the support of balance between work and personal life. The aim of the "Audit Family and Employment" project is to achieve an optimum family-oriented strategy in companies. The goal of the "Harmonization of work and family inspired by examples of good practice in Europe"	

CSR number	Recommendation	Resp.	Measure name	Measure type	Measure description	Target status	Expected impacts of the measure	Impacts on the state budget	Contribution to fulfilment of Europe 2020 goals	Progress up to now	Current status and further planned steps including timeline	Identification of possible risks of the measure's implementation
					developments in the given area and assess the existing network of individual types of these facilities from the perspective of quantity, density and accessibility.					certification exams took place in 2013, which were passed by 137 applicants.	project is to take advantage of examples of good practice from abroad in the area of harmonization of work and family life to help develop the Czech labour market. Support and development of locally and financially accessible childcare services is part of support area 3. 4 "Equal opportunity for women and men on the labour market and harmonization of work and family life" of OP Human Resources Development. Of 366 projects supported up to now, we evidence 124 projects (34%) focusing on childcare services.	
5: Public administration quality, fighting corruption, administration of EU funds, public contracts	a) Ensure implementation of the anti-corruption strategy for 2013-2014.	OG (ACC)	Implementation of The government anti-corruption strategy for the years 2013 and 2014.	Non-legislative	The document identifies and plans specific legislative as well as non-legislative measures that need to be implemented within the scope of fighting corruption.	Less opportunity for corruption; a more transparent public administration; better government projects at lower costs; reduced financial losses from the state budget and other public budgets; better legal enforceability; increased trust by citizens and surrounding countries in the Czech Republic's political system; a shift from corruption to integrity.	Elimination of opportunities for corruption; increased transparency in the public administration; improved services from state officials; a better and more easily enforced legal system; improved social climate. A reduction in the level of corruption in the CR and thus an attendant reduction in costs and consequences of corruption in the areas of the economy, politics and society.	Guarantors of individual measures utilize funds from their chapter budgets.		Of the 73 tasks (14 legislative and 59 non-legislative), 39 non-legislative tasks were fulfilled. Of the 10 priorities of the anti-corruption strategy (for example the Public Servants Act, conflict of interests, protection of whistleblowers, Act on Public Prosecutor's Office, free access to information), no task has yet been fulfilled that would achieve the stipulated anti-corruption effect.	Some measures (especially those adopted from the previous anti-corruption strategy) are being fulfilled on an ongoing basis. Fulfilment of some measures has been suspended due to the political situation. The government anti-corruption strategy continues to be fulfilled, but in May 2014 the government will be approving its updated version, also due to its programme declaration.	Possible lack of sufficient funds for long-term applicability of implemented anti-corruption measures and funds for monitoring (of the implementation and effectiveness of anti-corruption measures). If the rules among ministries are not sufficiently aligned, the measures could have differing effects.
		MI	Changes to political party financing rules	Legislative (amendment to Act No. 424/1991, on association in political parties and in political movements)	Primarily establishing legal limits for gifts from natural and legal persons, stipulating the obligation to finance political parties and political movements only via transparent accounts that allow public access to payment transactions	A stricter system of financing political parties and political movements.	Increased transparency in the financing of political parties and political movements.	Will be estimated after specific measures specific measures have been drawn up in connection to legislative options.		After debate of the original amendment ended due to the dissolution of Parliament, the draft amendment is in the government's Legislative Plan for 2014.	The draft act will be submitted to the government by 30 September 2014. It is expected to come into effect in June 2015.	None known at this time, the effective date of the amended act will depend on the legislative process, especially Parliament.
		OG (ACC)	Electronic filling out and publishing of politicians' asset declarations	Legislative (amendment to the Act No. 159/2006, on conflict of interests)	Since 2008, the register of notifications of activities, notifications of assets and notifications of incomes, gifts and obligations must be kept in electronic form. However, these electronic registries are kept separately for individual registry bodies. The goal is to centralize the notification register, thus making all notifications by public officials available at one location.	Easier public access to declarations by public officials. Reduced administrative burden of the current thousands of evidentiary bodies.	Increased public oversight that public officials are fulfilling their responsibilities.	None yet known.		Submission of the amended Conflict of Interests Act is in the government's Legislative Plan for 2014.	Preparation of the material in accordance with the government's Legislative Rules, which will be submitted in September 2014 with a proposed effective date of 1 January 2016.	Resistance from public officials. Insufficient funds to set up the central notification register.

CSR number	Recommendation	Resp.	Measure name	Measure type	Measure description	Target status	Expected impacts of the measure	Impacts on the state budget	Contribution to fulfilment of Europe 2020 goals	Progress up to now	Current status and further planned steps including timeline	Identification of possible risks of the measure's implementation
		OG (ACC)	Protection of whistleblowers	Non-legislative	Finding the most suitable forms of support and legal assistance to those reporting criminal activity (primarily free legal advice and psychological counselling).	Setting up an advisory centre or broadening the existing forms of advisory services for whistleblowers. The advisory centre must be a highly qualified, reliable and trustworthy contact centre for everyone who has reported corruption or is simply considering doing so.	An increase in the number of cases of corruption being reported – a reduction in the level of latency of this criminal activity.	Not yet known.		Performance of an analysis of possibilities for the support and legal assistance to whistleblowers. Submission of the analysis is in the government's Non-Legislative Task Plan for 2014.	Preparation of the material in accordance with the government's procedural code, which will be submitted in December 2014.	Insufficient funds to set up the advisory centre. Resistance from subjects who think that protection of whistleblowers is not a good idea.
	b) Adopt the Public Servants Act that should ensure a stable, efficient and professional state administration service.	OG	The Civil Service Act	Legislative (amendment of Act No. 218/2002, on civil servants in administrative offices and salaries of these workers and other employees in administrative offices)	The amendment will ensure a high-quality, professional and transparent civil service. New control, organizational and human resources processes will be set up in administrative offices. Implementing regulations will then newly define rules for human resources management and development, systemization, compensation, and education.	A paradigm shift from state administration to civil service. De-politicization of management and human resources processes. Make the management and performance of administrative offices more professional. Set up a Civil Service General Directorate as a methodical, managing and oversight body for official processes, establish state secretary positions at individual ministries. New configuration If all processes related to civil service activities.	Ensure a high-quality, professional and transparent civil service. Impact on up to 80,000 employees in affected areas. Setting up of a new body, the CSGD, with 50 employees and state secretaries.	Depends on a political decision on institutional authority. Impacts will depend on the gradual effectiveness of the Civil Service Act during the transition period. Most of it should be effective as of 1 January 2016.		In January 2014, the first reading took place in the Chamber of Deputies (private members' bill) Currently being finalized.	Submission to Parliamentary committees in April 2014. The Civil Service General Directorate will be set up in June 2014. Analyses, methodologies, legislation for implementation of the Civil Service Act, and transparent selection procedures for state secretaries and directors will be prepared by the end of 2015.	Time pressure, linkage of political decisions (institutional scope of authority, civil service exam, compensation), possible worries regarding excessive cost, the need to establish facilities for the CSGD, the need for political consensus on the general director of the civil service.
	c) Improve the management of EU funds in view of the 2014-2020 programming period.	MoRD	Preparation of common guidelines	Non-legislative	Guidelines will be prepared for individual areas of programme implementation that will reflect proposals for simplification of the EU fund administration system in the Czech Republic.	Manage programme implementation effectively and efficiently, and fulfil the goals of both the programmes and the Partnership Agreements.	Reduced administrative burdens, especially on applicants and recipients, easier orientation by the applicant/recipient in the support allocation system. Improved communication between the applicant/recipient and the support provider. Common and comprehensible rules. Optimization of the administrative period. Simplified administration.	Monies from EU funds will be pre-financed from the state budget (except for the OP Cross-Border Cooperation CR-Poland). After funds are received from the EU, they shall be returned to the state budget. The effect on the state budget is in theory neutral. Corrections or projects pledged above the scope of the operational programme paid in full by the pre-financing subject could be exceptions. Other state budget expenditures also ensue from co-financing requirements. Better financial administration and simplification of administration will result in increased absorption capacity and lower risk of correction.	The focus of European structural and investment funds is directly linked to fulfilment of the Europe 2020 strategy. Improved administration of these monies will thus help achieve these goals.	On 15 May 2013, the government approved the "Concept of a common methodological environment as a component for fulfilling goals of the Partnership Agreement". On 12 June 2013, the government approved the Management and Coordination Rules for the Partnership Agreement for the 2014-2020 programme period. On 9 August 2013, the government approved the Set of methodological documents for the areas of evaluation, creation principles and use of indicators, eligibility of expenditures and their reporting, and risk management for the 2014 to 2020 programme period. On 20 November 2013, the government approved Guidelines for managing calls for, assessment and selection of projects during the 2014 to 2020 programme	Additional guideline packages are being prepared, with the goal being submission to the government by mid-2014.	If the government of the CR is late in negotiating and approving documents, this could impact their effectiveness and application of rules for the new programme period.

CSR number	Recommendation	Resp.	Measure name	Measure type	Measure description	Target status	Expected impacts of the measure	Impacts on the state budget	Contribution to fulfilment of Europe 2020 goals	Progress up to now	Current status and further planned steps including timeline	Identification of possible risks of the measure's implementation
										period. On 15 January 2014, the government approved a set of guideline documents for the areas of monitoring (Part 1), public contracts, publicity, and preparation of control documentation.		
	d) Strengthen the capacity for implementation of public tenders at local and regional level.	MoRD	Increasing the professional level of capacities for performance of public contracts	Non-legislative	For addressees of Act No. 137/2006, on public contracts (the Public Contracts Act - PCA), especially for tendering authorities and for contractors, educational seminars will be held, and methodical support for the general public will be maintained and supported in connection with the awarding of public contracts.	Realization of over 40 educational seminars for over 1600 persons who pass the PCA knowledge exam; methodical support for the general public, thus not only for tendering authorities during the awarding of public contracts, via an information forum on public contracts, publication of methodical texts and now also publication of a regular bulletin on public contracts.	Increased professional level of tendering authorities (capacities); increased tender quality from tenderers, improved control mechanisms during awarding of public contracts, more effective expenditure of public funds with an emphasis on a level and as open as possible competition; motivation of tendering authorities to expend public funds in a targeted, economic and effective manner.	The MRD applied for co-financing of the implementation of the described measure from EU funds (a contribution of 8,797,500 CZK from EU structural funds, a contribution of 1,552,500 CZK from the state budget). If the requested monies from EU funds are not provided for these activities, the measure will be financed to a limited extent from the state budget.	Indirectly contributes to achieving the goals of Europe 2020.	Preparations were commenced for tender proceedings pursuant to the PCA, the subject of which will be the technical facilitation of seminars on the PCA. As at 28 February 2014 it is not yet known whether financial support will be provided from EU funds to implement this measure.	Preparation of the educational seminars (programme) began in October 2013. The next step will be the implementation of the educational programme itself. The expected date of completion of implementation of the educational programme is set at 30 June 2015.	A risk of delay in implementing of the educational programme or tendering the public contract within the scope of implementation of the educational programme; the risk of poor quality or late fulfilment of the public contract by the contractor.
		MoRD	Awarding of public contracts – transposition of European legal regulation of the awarding of public contracts	Legislative (a new Public Contracts Act)	Transposition of European legislation (the Directive of the European Parliament and of the Council on the awarding of public contracts, the Directive of the European Parliament and of the Council on the awarding of contracts to subjects in the water, energy, transport and postal services sectors, and the Directive of the European Parliament and of the Council on the awarding of concession contracts.	Easy to administer and apply procedures in accordance with the basic principles of awarding public contracts (equal treatment, non-discrimination, transparency and appropriateness).	Increasing the capacity of tendering proceedings by tendering authorities. Strengthening of control mechanisms during the awarding of public contracts. More effective spending of public funds.		Indirectly contributes to achieving the goals of Europe 2020.			
6: Quality of education, financing of research institutes	a) Establish a comprehensive evaluation framework in compulsory education and take targeted measures to support schools that rank low in educational outcomes.	MEYS	Assessment of the results of the education of pupils	Activity of the Czech School Inspectorate	Implementation of computer testing within the scope of testing pupils from Grades 5 and 9	Faster and more reliable electronic testing and processing of test results. Up-to-date data facilitates the adoption of quick, targeted support measures to help schools in which pupils fail to achieve even the required minimum, at the national level, at the founder level and at the level of every school.	Improving feedback for the educational system and its subsequent utilization to create educational policy. Improved quality of education.	Impacts on the state budget are not yet known.	A qualitative contribution to reduce the number of premature departures from education.	The results of the second pilot year of testing, based on a broad database of test assignments, are currently being evaluated, including the evaluation of aspects that allow verification of components of the assessment framework – self-assessment, modifications to the school curriculum, feedback for schools, pupils and their parents.	Experience with pilot testing of Grade 5 and 9 pupils is currently being evaluated. The government that resulted from the Parliamentary elections will decide on the next steps based on the evaluation of the pilot project.	General testing need not have the expected results and can on the contrary cause a premature choice of one's further educational path.
	b) Adopt measures to enhance accreditation and funding of higher education..	MEYS	Changes to the Higher Education Act	Legislative (amendment of Act No. 111/1998)	Amendment of some key parts of the Higher Education Act governing financing and ensuring quality in higher education. The main areas affected by the changes are accreditation, financing and internal management	Creation of prerequisites for improving quality, relevance and transparency of higher education. The measures will also lead to a reduction of administrative burden concerning accreditation of study programmes.	Creation of a transparent system of higher education and its financing. Improving the quality of higher education. Reducing the administrative burden on both universities and the state.	Impacts on the state budget are not yet known.	A qualitative contribution to the joint goal of increasing the percentage of individuals with a higher education in age 30–34.	Over the past three years, the higher education financing system in the Czech Republic has undergone significant modification, especially in connection with improving quality and performance indicators, according to	The amendment prepared during the previous government will be again discussed in 2014 with representatives of universities and social dialogue partners. It will then be submitted to the	

CSR number	Recommendation	Resp.	Measure name	Measure type	Measure description	Target status	Expected impacts of the measure	Impacts on the state budget	Contribution to fulfilment of Europe 2020 goals	Progress up to now	Current status and further planned steps including timeline	Identification of possible risks of the measure's implementation
					processes; debates on the amendment will also deal with the subject of the appointment of professors.					which 22.5 % of finances intended for institutional funding is currently (2014) being allocated.	government for approval by 30 September 2014.	
	c) Increase the share of performance-based funding of research institutions.	MEYS	New methodology for evaluating results of research, development and innovation and institutional financing of research organizations.	Legislative (implementation of the measure depends on an amendment to Act No. 130/2002, on support for research, experimental development and innovation from public funds, and on changes to some related acts (the Act on Support for Research, Experimental Research and Innovation), as amended.	Preparation of methodology for evaluating results of research, development and innovation and institutional financing of research organizations that will (1) take into account the position and role of various types of research organizations in the Czech Republic's national innovation system, (2) implement evaluation based on informed international peer review, (3) will emphasize the ability to achieve internationally competitive results and transfer skills into practice, and (4) will combine retrospective and prospective principles of institutional financing.	Increased effectiveness of allocation of state budget funds on research, development and innovation to the benefit of research organizations/research teams achieving internationally competitive results, capable of transferring skills into practice, and to obtain funds for research, development and innovation from private and international sources.	Increased effectiveness of the system of expending public funds on research, development and innovation dependent on the ability to achieve internationally competitive results and transfer skills into practice.	Implementation of the measure creates no additional expenditure demands on the Czech Republic's state budget. The measure is addressed via the individual project for a national "Effective system of evaluating and financing research, development and innovation" within the scope of the Education for Competitiveness Operational Programme.	Improvement of overall conditions and access to financing for research, development and innovation so that innovative ideas become products and services that create growth and generate new jobs. The Europe 2020 goal: Increase investment into research, development and innovation to 3 % of GDP.	The project for preparing a new methodology for evaluating results of research, development and innovation and institutional financing of research organizations has been under implementation since 20112 and will continue until 2015.	Pilot verification of the new methodology for evaluating results of research, development and innovation and institutional financing of research organizations is planned for 2015, with full application from 2016.	Implementation of this measure is contingent on an amendment to Act No. 130/2002, on support for research, development and innovation from public funds, and on changes to some related acts (the Act on Support for Research, Experimental Research and Innovation), as amended.
		OG	Methodology for evaluating the results of research organizations and evaluating the results of completed programmes (applicable to 2013 to 2015)	Non-legislative	During the interim period, ensure evaluation of results of research organizations and the results of completed programmes in accordance with Act No. 130/2002, on support for research, experimental development and innovation from public funds, and on changes to some related acts (the Act on Support for Research, Experimental Research and Innovation), as amended.	Maintain continuity in the evaluation of results of research organizations until the new system for assessing and financing research, development and innovation is implemented.	Ensure effective use of public funds for research, development and innovation depending on the ability to achieve internationally competitive results and transfer skills into practice.	Approval of the material will not have a negative impact on the state budget – expected expenditures are not over and above approved expenditures, and financial impacts will be covered within the scope of overall expenditures for the support of research, development and innovation without increased requirements on the state budget.	Increased motivation of participants in the innovation cycle to achieve internationally competitive results.	The methodology was approved by the government on 19 June 2013 and it has been implemented.	The methodology has been implemented, its impacts will be assessed after the first year.	None are known.
		OG	A new methodology for preparing and evaluating targeted support programmes for research, development and innovation.	Non-legislative	Change the approach to preparation and evaluation of targeted support programmes pursuant to § 3(2)(a) and (b) of Act No. 130/2002, on support for research, experimental development and innovation from public funds, and on changes to some related acts, as amended (hereinafter the "Programmes")	Prepare and evaluate programmes in an ex-ante evaluation structure, ongoing (interim) evaluation and ex-post evaluation. Evaluate inputs, outputs, results and impacts of the Programmes and take evaluation results into account in financing subsequent and new Programmes.	More effective use of public funds for research, development and innovation. Improved quality of results of applied research and its practical utilization. Broader international cooperation in applied research. Increased participation by companies in applied research and improvements to their competitiveness.	The measure will not have a negative impact on the state budget.	Increased competitiveness of Czech research, development and innovation. Broader interdisciplinary and international cooperation.	Up to now, Programmes have been evaluated according to the "Methodology for evaluating results of research organizations and evaluating results of completed programmes" (applicable to 2013 to 2015), approved by the government on 19 June 2013. This document focuses primarily on evaluating institutions, and deals with evaluation of programmes only in a cursory fashion and insufficiently in comparison with countries with a mature evaluation culture in research, development, and innovation.	On 14 March 2013, based on a resolution of the Council for Research, Development and Innovation, a work group was set up with representatives of the affected departments. The resulting material will be submitted to the government in the second half of 2014. The new methodology will be applied from 2015 onward.	The measure must be in accordance with EU legislation now under preparation in the area of RD&I (Community framework for State aid for research and development, the General Block Exemption regulation). Insufficient staff and expertise at departments providing support for Programmes, which currently makes it impossible to perform the intended evaluations in a qualified manner.

CSR number	Recommendation	Resp.	Measure name	Measure type	Measure description	Target status	Expected impacts of the measure	Impacts on the state budget	Contribution to fulfilment of Europe 2020 goals	Progress up to now	Current status and further planned steps including timeline	Identification of possible risks of the measure's implementation
		MEYS	A new methodology for evaluating large research, experimental development and innovation infrastructures	Non-legislative	Preparation of a methodology for evaluating large research, experimental development and innovation infrastructures in accordance with international best practice. Implementation of international peer review into the evaluation process.	Assessment of existing and potential large infrastructure projects for research, experimental development and innovation according to the new evaluation methodology and subsequent update of the Czech Republic's Road Map for large research, experimental development and innovation infrastructures.	Setting up an evaluation process for large research, experimental development and innovation infrastructures using the international peer review method.	The measure will not have a negative impact on the state budget.	Improvement of overall conditions and access to financing for research, development and innovation.	Preparation of the new methodology for evaluating large research, experimental development and innovation infrastructures commenced in Q4 2013. It is expected to be completed by the end of the first half of 2014.	The final phase of discussions regarding the criteria stipulated for evaluation of large research, experimental development and innovation infrastructures will take place. The evaluation methodology will be completed by the end of the first half of 2014.	None are known.
7: Reduction of the number of regulation professions and improved energy efficiency	a) Drawing on the ongoing review, proceed with a reform of regulated professions, by reducing or eliminating entry barriers and reserves of activities where they are unjustified.	MEYS	Reduction of the number of regulated professions	Legislative	Cancellation of change of relevant provisions of legislation stipulating conditions for individual professions.	Eliminate disadvantages for Czech graduates, who must generally absolve a longer term of professional work experience than graduates in other member states, easier access to employment, elimination of unreasonable barriers to the free movement of persons within the EU.	Improved labour market flexibility, easier access to employment and entrepreneurship both for Czech citizens and for citizens of EU member states.	No relevant impacts are expected. While deregulation may cause a slight decline in the collection of administrative fees for recognition of professional qualifications, this should be compensated by reduced expenditures in the social area due to easier access to employment.	A qualitative contribution to the common goal of 75 % employment between the ages of 20 and 64.	In 2013, the number of regulated professions was reduced by 38. This took place primarily by eliminating duplication in legislation and professions where conditions for their performance are governed by European legislation.	In 2014, the number of regulated professions should be reduced further. Implementation of a project of ex-ante coordination of economic reforms began, whose goal is the reduction or complete elimination of legal conditions for access and performance of 25 % of regulated professions.	Due to the risk of a reduction in the quality of services provided, the deregulation of each profession must be assessed individually and carefully. Professions that could affect health and safety should not be deregulated at all, or only partially.
	b) Take further measures to improve energy efficiency in the buildings and industry sectors.	MIT	Increasing energy efficiency	Legislative measure (Amendment of Act No. 406/2000, on energy management, Act No. 458/2000, the Energy Act, and Act No. 165/2012, on supported sources of energy (implementation of Directive 2012/27/EU on energy efficiency))	Stipulating mandatory target for reduction of energy consumption by 2020, and an indicative energy savings target by 2020. A National Energy Efficiency Action Plan up to 2020 will be drawn up, which will include significant measures focused on increased energy efficiency and expected or achieved energy savings, including savings achieved during delivery, transmission or transportation, and distribution of energy. Specific measures have already been submitted to the EC within the scope of implementation of Article 7, and will also be further specified as part of the National Energy Efficiency Action Plan in April 2014.	Reduced energy and resource consumption, cost savings, reduced dependence of the Czech Republic on imports, and increased competitiveness.	End consumption savings of 47.84 PJ will be achieved within the Czech Republic by 2020.	No impact on the state budget over and above existing funding is expected at this time. Funding to achieve the goal is planned predominantly from operational programmes and revenues from emission permits. Most important will be the configuration of individual measures within the scope of affected operational programmes. According to the effectiveness of spent revenues from operating programmes and the New Green Savings programme, it will be apparent how much funding would be required beyond the scope of these planned funds to achieve the goal. Nevertheless, in this case a new system of mandatory energy efficiency increases will be created, which should however be financed by the private sector, not the state budget.	Measures are fully aligned with the Europe 2020 strategy.	The Czech Republic has set an energy savings goal pursuant to Article 3 of the energy efficiency directive. It has sent the EC its first progress report pursuant to this directive. In December 2013, the Czech Republic submitted reports on the implementation of Articles 5 and 7.	Technical preparations are currently taking place for the transposition of these articles of the directive into Czech law. Concurrently, analytical work is being performed for articles fulfilment of which is of a non-legislative nature.	Fulfilment of the goals of the directive (energy savings of 47.84 PJ) could be beyond the economic abilities of the Czech Republic, and can thus threaten the competitiveness of Czech industry. Sufficient funding must be allocated within the scope of operational programmes for 2014-2020 for priority axes that deal with energy efficiency.
		MOE	Operational Programme "Environment" 2014-2020 Priority axis 3 Sustainable use of energy sources	Non-legislative	Support for the construction of new facilities and reconstruction of existing ones in order to increase the use of renewable sources for generation of heat, electricity and heat/electricity	Reduced energy use, increased use of renewable energy sources for heat or electricity generation, and effective use of waste heat.	Reduce energy consumption by 2 PJ/year. Increase energy generation capacity from renewable sources by 80 MW.	Co-financing of the operational programme from the state budget. There could be pro-growth effects if savings are implemented for buildings similarly as for the New Green Savings Programme.	Reduced energy use by the economy, reduced greenhouse gas emissions.	Funds originally allocated for this priority axis have already been committed. Most projects are still being implemented, and must be completed by the end of 2015.	Currently, the LX. call for subsidy applications within the scope of Priority Axis 3 is taking place.	A delay or halt in the preparation and implementation of some projects.

CSR number	Recommendation	Resp.	Measure name	Measure type	Measure description	Target status	Expected impacts of the measure	Impacts on the state budget	Contribution to fulfilment of Europe 2020 goals	Progress up to now	Current status and further planned steps including timeline	Identification of possible risks of the measure's implementation
					cogeneration. Support for energy savings and utilization of waste heat in the non-entrepreneurial sphere (primarily insulation of public buildings).							
		MIT	Operational Programme Enterprise and Innovation, Priority axis Eco-Energy	Non-legislative	Support for entrepreneurial activity in the area of increasing energy efficiency of manufacturing and reduction of the consumption of primary fossil fuels, and support for beginning entrepreneurs in activities leading to higher utilization of renewable and secondary sources of energy.	Reduced greenhouse gas emission, energy savings.	Increased competitiveness of the Czech economy by the end of the programme period, and increasing the innovation performance of industry and services in the Czech Republic to approach the level of leading industrialized nations in Europe.	No impact on the state budget over and above existing funding is expected at this time. For the new 2014-2020 programme period, financing of 85 % from the ERDF and 15 % from the state budget is being discussed.	Reduced energy use by the economy, reduced greenhouse gas emissions.	Within the scope of the third extended call, which was declared as the last one, 245 energy savings projects were supported with investment subsidies of 1,848,569,000 CZK for total eligible expenditures of 4,982,022,000 CZK. Total expected energy savings for these projects should be approx. 3.85 PJ.	The next programme period (2014-2020) is currently being prepared.	Sufficient funds for the next programme period must be secured so that this priority axis can significantly contribute to meeting the energy efficiency goal for 2020.
		MIT	A state programme to support energy savings and utilization of renewable resources – the EFEKT programme.	Non-legislative Specified by Act No. 406/2000	Support for energy savings through information for small consumers, increasing the quality of energy services, and support for the public sector for efficient energy use (capital and non-capital subsidies)	Reduced greenhouse gas emission, energy savings.	Within the scope of non-capital subsidies, increased knowledge of the general public about energy savings and supported energy sources. Within the scope of capital investment: energy savings of 250 TJ by 2016, reduction of CO ₂ by 6000 tonnes by 2016.	The EFEKT programme is declared each year by the Czech government and funds are allocated directly from the state budget (30 million CZK annually).	Reduced greenhouse gas emissions, energy savings. The EFEKT programme is also one of several tools for implementation of the energy efficiency directive used to achieve energy efficiency targets for 2020.	In 2013, a total of 153 projects were supported by total funding of 27.8 million CZK within the scope of capital and non-capital subsidies.	Submitted applications are currently being evaluated and administered.	None identified.
		MOE	The New Green Savings Programme for 2013	Non-legislative (specified by the following acts: No. 388/1991 No. 406/2000, No. 201/2012, No. 183/2013, No. 78/2013 S..)	Support for implementation of measures leading to energy savings in family homes.	Increased building energy efficiency, reduced greenhouse gas and air pollution emissions.	A significant financial leverage effect (a high degree of mobilization of investors' financial resources), positive impacts/additional revenues on the state budget, GDP, VAT, support and development of industry (construction and other sectors), creation or maintenance of jobs (approx. 2000). Energy savings and improved air quality. Quantified impacts: Sources: 1 billion CZK Env. benefits: CO ₂ reduction... 83 kt/year Heating energy savings... 95 TJ/year Energy production from RR 32 TJ/year	Pro-growth effects: 2.84 CZK of additional GDP for each 1 CZK provided from the NGS programme, 1 CZK of support results in additional revenues to the state budget of 0.96 CZK in the year of investment.	Increased energy efficiency of the economy, reduced greenhouse gas emissions.	Within the scope of the New Green Savings 2013 programme, finances of 1 billion CZK were secured from the State Environmental Fund of the Czech Republic. On 13 June 2013, the 1 st Call for Submissions for support in the family home segment was declared. On 16 August 2013, applications began to be accepted. As at 20 December 2014, the allocation of 1 billion CZK has been used up and applications were no longer accepted. Approximately 13,000 applications were registered.	Submitted applications are currently being evaluated and administered, with the Minister of the Environment having already signed 176 Decisions (RM) to provide support in the amount of 11.1 million CZK.	None identified.
		MOE	The New Green Savings Programme	Non-legislative (specified by the following acts: No. 388/1991, No. 383/1012,	Support for implementation of measures leading to energy savings in family homes, residential	Increased building energy efficiency, reduced greenhouse gas and air pollution emissions.	Pro-growth measures: a significant financial leverage effect (a high degree of mobilization of investors' financial	Pro-growth effects: 2.84 CZK of additional GDP for each 1 CZK provided from the NGS programme, 1 CZK of support results in	Increased energy efficiency of the economy, reduced greenhouse gas emissions.	On 20 February 2013, the government approved the White Paper for the New Green Savings Programme. On 6	Applications for the 1 st Call are being accepted from 1 April 2014 until the exhaustion of the allocation (1.9 billion	It is impossible to predict the distribution of revenues from auctions of emission permits (EUA) for a

CSR number	Recommendation	Resp.	Measure name	Measure type	Measure description	Target status	Expected impacts of the measure	Impacts on the state budget	Contribution to fulfilment of Europe 2020 goals	Progress up to now	Current status and further planned steps including timeline	Identification of possible risks of the measure's implementation
				No. 218/2000, No. 560/2006, No. 406/2000, No. 201/2012, No. 183/2013, No. 78/2013)	buildings and public sector buildings.		resources), positive impacts/additional revenues on the state budget, GDP, VAT, support and development of industry (construction and other sectors), creation or maintenance of tens of thousands of jobs (approx. 50k – 60k). Energy savings and improved air quality. Quantified impacts: Sources: up to 27 billion CZK Env. benefits: CO ₂ reduction... 2.2 Mt/year Heating energy savings... 2600 TJ/year Energy production from RR 400 TJ/year	additional revenues to the state budget of 0.96 CZK in the year of investment.		November 2013, the government approved NGS programme documentation (specifically the following sub-programmes: Family Homes (FH) and State Administrative Costs (SAC)). Sub-programmes: Apartment Buildings (AB) and Public Sector Buildings (PSB) were approved on principle, with the caveat that they shall be completed in detail and approved by the government. On 6 January 2014, the 1 st Call was announced, with allocations of 1.9 billion cZK for applications for the FH sector.	CZK) or 31 October 2014. The AB and PSB sub-programmes are being prepared, taking into account specific identification of border areas between programmes of the Ministry for Regional Development and the Ministry of the Environment. On 1 April 2014, applications began to be accepted for implementation of energy efficiency measures in family homes.	longer period of time; a number of variable factors come into play such as adoption of back-loading and other measures of the EC within the scope of the European EUA trading system.
		MoRD	Panel 2013+	Legislative (Government Decree No. 468/2012, on the use of funds from the State Housing Development Fund through loans provided to legal and natural persons for building repair and modernization)	Modernization of residential buildings which must include measures leading to increased energy efficiency	Comprehensive reconstruction of residential buildings – conservation care for residential buildings, increased energy efficiency of residential buildings, reduction of household energy use, a positive impact on the Czech construction industry and the state budget.	A pro-growth measure with a multiplicative effect – 1 million CZK will bring 4.28 million CZK of investments into the construction industry and 1.5 million CZK back into the state budget. At the same time, residential buildings will become more energy efficient.	Returnable funds from the State Housing Development Fund – low-interest loans, the SHDF's approved budget for 2014 has 1020 million cZK for implementation of Government Decree No. 468/2012 and GD No. 481/2011, of this 600 million CZK is expected for the PANEL 2013+ programme.	Increased building energy efficiency	The Panel 2013+ programme is a continuation of the Panel and New Panel programme; the form of support has changed from interest rate subsidies to low-interest loans. During 2001-2010 interest subsidies were provided within the scope of the Panel and New Panel programme for the repair of 905 505 apartments.	In 2013, the SHDF provided loans amounting to 346,292, 982 CZK for reconstruction of 3011 apartments.	Overlap with the New Green Savings – Residential Buildings sub-programme was eliminated for 2014.