

NATIONAL REFORM PROGRAMME

of the Czech Republic

Úřad vlády České republiky



2021

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List of abbreviations

AEP	Active Employment Policy
CEF	Connecting Europe Facility
C-ITS	Cooperative Intelligent Transport Systems
CLLD	Community-led local development
CNG	Compressed natural gas
CSRs	Country Specific Recommendations
CDE	Czech Republic in Digital Europe
CMGDB	Czecho-Moravian Guarantee and Development Bank
CNB	Czech National Bank
CR	Czech Republic
CSO	Czech Statistical Office
CSI	Czech School Inspectorate
DC	Digital Czech Republic
DES	Digital Economy and Society
WPA	Work Performance Agreement
VAT	Value Added Tax
CFW	Contract for Work
DCM	Digitisation of Construction Management
DTM	Digital technical maps
EET	Electronic records of sales
ERDF	European Regional Development Fund
EFSI	European Fund for Strategic Investments
EGAP	Export Guarantee and Insurance Corporation
eGC	eGovernment cloud
EIB	European Investment Bank
EIF	European Investment Fund
EC	European Commission
EP	European Parliament
EPC	Energy Performance Contract
ESF	European Social Fund
ESF+	European Social Fund Plus
EU	European Union
EUR	Euro (currency)
EUSPA	EU Agency for the Space Programme

FI	Financial instruments
NP	Natural persons
JTF	Just Transition Fund
GPG	Gender pay gap
GSA	European Global Navigation Satellite Systems Agency
GDP	Gross Domestic Product
HPV	Human papillomavirus
ISCR	Information Strategy of the Czech Republic
ITDP	Integrated territorial development plan
IROP	Integrated Regional Operational Programme
IS 2019+	Innovation Strategy of the Czech Republic 2019 – 2030
DBIS	Data Box Information System
PAIS	Public Administration Information Systems
ITI	Integrated Territorial Investment
OSS	One-stop shop
URF	Uniform registration form
CHSOC	Centre of highly-specialised oncological care
RDC	Rural Development Conception
LNG	Liquefied natural gas
LCG	Legislative Council of Government
MT	Ministry of Transport
MF	Ministry of Finance
MC	Ministry of Culture
MoRD	Ministry for Regional Development
MIT	Ministry of Industry and Trade
ICP	Inter-ministerial comment procedure
MLSA	Ministry of Labour and Social Affairs
SME	Small and medium enterprises
MJ	Ministry of Justice
MEYS	Ministry of Education, Youth and Sports
MI	Ministry of the Interior
MH	Ministry of Health
MAg	Ministry of Agriculture
MFA	Ministry of Foreign Affairs
ME	Ministry of the Environment

NGEU	Next Generation EU
NIP	National Investment Plan
NR Plan	National Recovery Plan
NRP	National Reform Programme
NEP	National Environmental Programme
NDF	National Development Fund
NSC	National Screening Centre
NQF	National Qualifications Framework
NGS	New Green Savings
OECD	Organisation for Economic Co-operation and Development
OP T	Operational Programme Transport
OP JAK	Operational Programme Jan Amos Komenský
OP EIC	Operational Programme Enterprise and Innovation for Competitiveness
OP PGP	Operational Programme Prague Growth Pole of the Czech Republic
OP JT	Operational Programme Just Transition
OP TAC	Operational Programme Technologies and Applications for Competitiveness
OP RDE	Operational Programme Research, Development and Education
OP E	Operational Programme Employment
OP E+	Operational Programme Employment Plus
OP Env	Operational Programme Environment
UN	United Nations
SEP	Self-employed person
RES	Renewable energy sources
SGAFF	Support and Guarantee Agricultural and Forestry Fund
PHEV	Plug-in hybrid electric vehicle
LE	Legal entities
LNFRP	Landscape Natural Function Restoration Programme
LMP	Landscape Management Programme
PPP	Public-private partnership
RDP	Rural Development Programme
CDP	Chamber of Deputies of the Parliament of the Czech Republic
RIA	Regulatory impact assessment
RIS3	Czech National Research and Innovation Strategy for Intelligent Specialisation
RRF	Recovery and Resilience Facility
FEP	Framework Educational Programme

RDIC	Research, Development and Innovation Council of the Government
SDGs	UN Sustainable Development Goals – Agenda 2030
SISF	State Investment Support Fund
SHDF	State Housing Development Fund
SEF	State Environmental Fund of the Czech Republic
SIZ	Strategic Industrial Zone
SFDPA	Strategic Framework for the Development of Public Administration in the Czech Republic
SRSP	Structural Reform Support Programme
SLIO	State Labour Inspection Office
CAP	Common Agricultural Policy
TA CR	Technology Agency of the Czech Republic
TEN-T	Trans-European Transport Network
OG	Office of the Government of the Czech Republic
IHIS	Institute of Health Information and Statistics of the Czech Republic
R&D	Research and development
R&D&I	Research, development and innovation
MFF	EU Multiannual Financial Framework
VHCN	Very High-Capacity Network
HSL	High-speed lines
Uni	University
PP	Public Procurement
WHO	World Health Organisation
ES	Elementary school
PPA	Public Procurement Act

1 Introduction

Recovery following the COVID-19 crisis and transformation

The COVID-19 pandemic and the measures adopted by states to protect the health and lives of their citizens brought significant impacts on the economy and on society as a whole. The deep synchronised downturn in the world economy in 2020, which even the Czech Republic did not escape, is unprecedented in the period following the Second World War. In reaction to the pandemic, in May 2020, the European Commission (EC) supplemented the ongoing negotiations on the EU Multiannual Financial Framework for the period of 2021 – 2027 (MFF) with a set of proposals for the *Next Generation EU* (NGEU) package. The individual proposals were subsequently approved in the legislative process. As part of the NGEU, the EC will borrow funds on the order of three-quarters of the volume of the MFF on the financial markets and these funds will be quickly invested in the recovery and also in the **green and digital transformation** of the EU economy, primarily in accordance with the European Green Deal¹ (EGD). From the perspective of the volume of the funds, the Recovery and Resilience Facility (RRF) is definitely the largest of the NGEU tools.

The subject of the RRF support is the **performance of structural reforms and public investment projects**. According to the relevant regulation², the RRF should be managed within the established mechanism for the coordination of EU economic and social policies, i.e., **within the framework of the European Semester**. The cycle of the 2021 European Semester is therefore significantly modified in order to serve for the preparation and subsequent start of the implementation of the RRF.

The above-mentioned changes in the cycle of the 2021 European Semester on the European-wide level are also reflected in the changes during the course of the new cycle of the semester on the national level in the Czech Republic. The **National Reform Programme of the Czech Republic (NRP) 2021** is submitted together with the recovery and resilience plan (National Recovery Plan of the Czech Republic - NR Plan). The NR Plan is a necessary precondition for drawing from the RRF and was prepared by the Ministry of Industry and Trade (MIT) in cooperation with the ministries, Office of the Government (OG) and other actors.

Structure of NRP 2021

The **current economic framework**, which is essential for the reforms and public investments of the CR, is described in detail in the Convergence Programme of the Czech Republic 2021, with which the NRP 2021 is consistent.³ The Convergence Programme, as part of the European Semester, is submitted each year to the Government for approval in a form similar to the NRP and is subsequently also sent to the EC.

NRP 2021 is newly connected with the NR Plan, specifically through Part 2. *Fulfilment of the Council of the EU Recommendations* and Part 3. *Reforms and Public Investment*. For clarity, Chapters 3.1 to 3.6 correspond to pillars 1 to 6 of the NR Plan. NRP 2021 is based on the national and European-wide priorities and, in a structure close to the NR Plan, also contains a description of those structural reforms and measures that are not contained in the NR Plan. **Thus, NRP 2021 provides a wider context to the NR Plan.**

¹ Communication from the Commission of the European Green Deal from 11.12.2019, COM (2019) 640 final.

² Regulation (EU) 2021/241 of the European Parliament and the Council of 12 February 2021 establishing the Recovery and Resilience Facility.

³ The Convergence Programme of the Czech Republic (April 2021) was approved by the Government by Resolution No. 402 from 26 April 2021.

The Government does not neglect the efforts for recovery following the COVID-19 crisis and support of the green and digital transformation in its **long-term development goals**, with which the Czech Republic has registered in the United Nations (UN) and also through the *Strategic Framework of the Czech Republic 2030*.⁴ Last year's NRP therefore contained an overview of the fulfilment of the UN Sustainable Development Goals. NRP 2021 follows up on the analysis presented in Part 4. *Impact of the COVID-19 Pandemic on the Fulfilment of Selected Sustainable Development Goals in the Czech Republic*.

NRP 2021 is based on the current **strategic and conceptual government documents**. Their overview is presented in the *Appendix*.

Inclusive preparation of NRP

During the preparation of NRP 2021, the Czech Republic has traditionally striven for the inclusion of non-governmental actors, including representatives of economic and social partners, local governments and the Parliament of the Czech Republic. In light of the ongoing pandemic of the COVID-19 disease, participation was in the form of video conferences, or else through written comments. The process for the creation of NRP 2021 was regularly consulted with the economic and social partners as part of the **Working Team of the Council of Economic and Social Agreement for the EU** at its meetings on the dates 6.11.2020, 4.12.2020, 15.1.2021, 18.3.2021 and 13.5.2021.

On 15.12.2020, an online **roundtable** was held, where the relevant ministries presented the individual chapters of the NRP under their responsibility. Representatives of the economic and social partners, regional and local governments, the Parliament of the Czech Republic and other interested subjects (e.g., the CNB or National Budget Council) were invited. Invitations also went out to all the current representatives in group III of the delegation of the Czech Republic in the European Economic and Social Committee, thus representatives of the civil society. During the discussion, the participants raised their questions and comments on the submitted working version of NRP 2021 and the state administration could react immediately.

The roundtable discussion was complemented by written comments on the working version of NRP 2021, which took place in December 2020. After incorporating the comments, after modifications reacting to the finalisation of the NR Plan and after the overall update of NRP 2021, it went through the inter-ministerial comment procedure on 9 - 23.4.2021, i.e., in parallel with the inter-ministerial comment procedure for the NR Plan. NRP 2021 was subsequently submitted together with the NR Plan at the Government meeting on 17.5.2021.

⁴ The Strategic Framework of the Czech Republic 2030 was approved by the Government by Resolution No. 292 from 19 April 2017. The second implementation plan has currently been prepared.

2 Fulfilment of Council of the EU recommendations

2.1 Council of the EU Country Specific Recommendations for the Czech Republic

The Country Specific Recommendations (CSRs) of the Council of the EU specified below were addressed to the Czech Republic as part of the European Semester in 2019 and 2020. These CSRs also reflect the reforms and public investments included in the NR Plan. The table below specifies in detail how specific reforms and public investments contribute to the fulfilment of the individual requirements of the 2019 and 2020 CSRs.

In 2019, the CR received these EU Council recommendations:

1. Improve long-term fiscal sustainability of the pension and health-care systems. Adopt pending anti-corruption measures.
2. Foster the employment of women with young children, including by improving access to affordable childcare, and of disadvantaged groups. Increase the quality and inclusiveness of the education and training systems, including by fostering technical and digital skills and promoting the teaching profession.
3. Focus investment-related economic policy on transport, notably on its sustainability, digital infrastructure, and low carbon and energy transition, including energy efficiency, taking into account regional disparities. Reduce the administrative burden on investment and support more quality-based competition in public procurement. Remove the barriers hampering the development of a fully functioning innovation ecosystem.

In 2020, the CR received these EU Council recommendations:

1. In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. Where economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Ensure the resilience of the healthcare system, strengthen the availability of health workers, primary care and the integration of care, and the deployment of e-health services.
2. Support employment through active labour market policies, the provision of skills, including digital skills, and access to digital learning.
3. Support small and medium-sized enterprises by making greater use of financial instruments to ensure liquidity support, reducing the administrative burden and improving e-government. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on high-capacity digital infrastructure and technologies, clean and efficient production and use of energy, and sustainable transport infrastructure, including in the coal regions. Ensure access to finance for innovative firms and improve public-private cooperation in research and development.

2.2 Overview of fulfilment of 2019 and 2020 CSRs

CSR Requirements	Inclusion in NR Plan or other interventions of the CR (NRP)
<p>Improve long-term fiscal sustainability of the pension system</p>	<p>In 2019, the Commission on Fair Pensions began its operations as a consulting body of the Minister of Labour and Social Affairs. During its negotiations, the Commission dealt with several serious, from its perspective, problems of the Czech pension system: the insufficiently secured income aspect of the pension system, differences between the pensions of men and women, providing earlier pensions to people in physically-demanding professions and the low efficiency of supplementary pension schemes. From September 2019, the activity of the Commission is almost entirely dedicated to a more significant parametric reform of the pension system, which consists in the creation of a robust - zero - solidarity pillar and a fully insured - first - pillar of the pension system. A legislative proposal was prepared and submitted for the inter-ministerial comment procedure.</p> <p>OECD prepared a study mapping the situation in the Czech pension system, including proposals for its reform. In January 2020, an OECD mission took place in the CR with the goal of getting to know the ideas of all interested parties, with the results of the recommendations presented in the final report in November 2020. There are five main recommendations in the report:</p> <ul style="list-style-type: none"> - Simplify the calculation of pension benefits by counting income as a constant percentage of all earnings and subsequently adapting the base rate in order to also achieve redistribution goals; - Significantly decrease the minimum number of years required to achieve the right to an old-age pension and adjust the basic rate proportionately to the length of insurance achieved; - Connect modifications of the pension age to changes in life expectancy; - Consider financing the redistribution elements of public pension expenses from taxes with the goal of strengthening the income and/or merit aspects of the pension system; - Improve the performance of pension funds. <p>In light of the responsibilities of the individual ministries, the legislative proposal of the MLSA addresses the first recommendation, including lowering the minimum length of the mandatory insurance period without any further conditions. With regard to the third recommendation, a valid regulation of the regular five-year mandatory evaluation of the set retirement age in relation to demographic developments is in the Act on Pension Insurance.</p>

<p>Improve long-term fiscal sustainability of the healthcare system</p>	<p><u>Within the NR Plan, the theme is addressed in Pillar 6 Health and Resilience of the Population.</u></p> <p>The financing of Czech healthcare depends primarily on income, the source of which is wages. This makes it vulnerable to economic cycles and represents a risk for its long-term sustainability, also with regard to the aging of the population. The Czech Republic performs key structural reforms for the improvement of the efficiency of the provisioning of healthcare services and thus the financing of the sustainability of the system, specifically:</p> <ul style="list-style-type: none"> • ensuring the maximum coverage, quality and availability of primary care through the ongoing reform of primary care; • pricing of healthcare services, monitoring and payments, productivity and economic comparisons through the new CZ-DRG system; • the support of shared health data in accordance with the rules of their availability and use and ensuring data interoperability in the framework of the digitalisation of the healthcare system of the Czech Republic. <p>For the successful evaluation and measurement of the impacts of the aforementioned activities, the CR is taking steps to create a Health Systems Performance Assessment in the Czech Republic (HSPA).</p>
<p>Adopt pending anti-corruption measures</p>	<p><u>Covered in component 4.3 Anti-Corruption Measures within the NR Plan.</u></p> <p>Upon approval by the Government, the proposal of the Lobbying Act and related amendments to the Act (parliamentary documents no. 565 and 566) were passed to the Chamber of Deputies (CDP) and debated on 10.12.2020 in the 1st reading and passed to the Committee on Constitutional and Legal Affairs and Standing Commission on the Constitution, in which they are now being debated. The proposed Whistleblower Protection Act and related amendments to the Act (parliamentary documents no. 1150 and 1151) were approved by the Government on 1.2.2021, passed to the CDP on 9.2.2021 and now await their 1st reading. Following approval by the CDP in the third reading on 22.1.2021, the draft of the Act amending Act No. 6/2002 Coll., on Courts, Judges, Lay Judges and the State Administration of Courts and on amendments to some other acts (the Act on Courts and Judges), as later amended, and other related acts (parliamentary document no. 630, senate document no. 51) was debated in the Senate on 17.3.2021 and returned to the CDP with amendments. The proposed act, which amends Act No. 7/2002 Coll., on Proceedings in Matters concerning the Courts, State Prosecutors and Bailiffs of the Court, as later amended, and other related acts (parliamentary document no. 683) was debated on 10.12.2020 by the CDP in the first reading and passed to the Committee</p>

<p>Foster the employment of women with young children, including by improving access to affordable childcare, and of disadvantaged groups.</p>	<p>on Constitutional and Legal Affairs, where it is now being debated.</p> <p><u>Covered in component 3.3 Modernisation of Employment Services and Development of Labour Market as part of the NR Plan</u></p> <p>Even in the period before the pandemic, the labour market in the Czech Republic showed a relative low employment of women with children - both due to the low offer of childcare services for children up to the age of three and to gender gaps in employment and pay. Government measures focus on the support of availability of preschool care services, equal pay, the increased flexibility of parental contributions and improvements of the offer of flexible forms of employment.</p> <p>The Czech Republic (and in particular the MLSA) has long supported the employment of parents and women with small children, especially through increasing capacities and the local and financial availability of preschool childcare services. Even in spite of the gradual increase in capacities in the given area, there is still a lack of places in preschool facilities, especially for children younger than three as well as for older children in areas around larger cities.</p> <p>The MLSA supports childcare services in children’s groups (Act No. 247/2014 Coll., on the Provisioning of Childcare Services in Children’s Groups and on amendments to related acts, as later amended), and since 2016, the project for the Support of the Implementation of Children’s Groups within the framework of the Operational Programme Employment (OP E) has also been implemented. In the 2016-2020 programming period, the development of children’s groups was supported in Prague in part through the Operational Programme Prague Growth Pole (OP PGP). In Children’s groups, the quality of the provided care is guaranteed since, for example, the maximum number of children in the class and for each caregiver, the professional qualifications of the caregivers, the education and care plans and the hygienic requirements are specified. An amendment to the Act on Children’s Groups has currently been prepared and is being debated in the CDP. The main goal of the amendment is to ensure a quality available modern service for the smallest children from six months up to three years of age through stable state financing and the setting of binding indicators of quality care using standards of quality. The amendment also includes the change of the name of the children’s group to “nursery” with the goal of creating an integrated and connected system of preschool services (nurseries up to three years, the right to a place in a preschool from three years).</p> <p>As at 30.4.2021, the MLSA recorded 1133 active children’s groups with more than 15,000 places for children. The total volume of finances drawn from the European Social Fund for the development of children’s groups amounted to a total of CZK 921.3 million in 2019.</p> <p>As at 31.12.2020, the MLSA’s systematic project “Support of the</p>
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implementation of childcare services from six months to four years of age in ‘micro-nurseries’ and pilot verification of services’, which was financed from the European Social Fund as part of the OP E. Micro-nurseries are public childcare facilities for children from six months to four years of age in small collectives of up to four children. The provider of micro-nurseries can be a municipality, a public-benefit organisation of the municipality or a non-governmental organisation. Micro-nurseries, however, continue to work throughout the entire Czech Republic and their operation is supported by finances from the European Social Fund (ESF). In 2016, 72 micro-nurseries were supported in a total amount of 135 million crowns from the European Social Fund of the OP E. Thanks to the new calls of no. 69 and 70 at the beginning of 2019, a total of 102 micro-nurseries were supported in the amount of 253 million crowns, the vast majority continued from call no. 126 and 127, plus 40 new facilities originated. OP E also supports after-school childcare for children of younger school age, which is an important element for the integration of children from disadvantaged environments and acts as prevention against negative social phenomena.

Since 2018, there have been several modifications leading to greater flexibility on the drawing of the parental allowance (PA). Since 1.1.2018, there has been an increase in the overall amount for the birth of multiple children from 220 thousand to 330 thousand crowns and also to the cancellation of the monthly upper limit from drawing on the PA (up to the amount of the maternity allowance). Thanks to this change, parents can draw on the PA more quickly, especially those with higher incomes. From 1.1.2020, the overall amount of the PA increased from 220 thousand to 300 thousand crowns (for multiple children to 450 thousand crowns), the limit of the monthly amount for parents that do not document their income increased (from 7.4 thousand to 10 thousand crowns) and the limit for the attendance of a child up to two years of age to a care facility increased to 92 hours a month without losing the right to the PA.

With the goal of expanding the offer of flexible forms of work, a new legal institute of job-sharing was incorporated in the amendment to the Labour Code in Section 317a, effective from 1.1.2021 (Act No. 285/2020 Coll.). The system of job-sharing has the potential to support the employment of people with short working hours, primarily people caring for young children (typically mothers with small children) or other people, or people with disabilities. The essence of this flexible form of work is the alternation of two or more employees with shorter working hours (Section 80 of the Labour Code) in a single workplace.

The given measures are in accordance with the valid Family Policy Concept from 2017.

The Gender Equality Strategy for the years 2021 - 2030, which the Government approved on 8.3.2021, should also support the employment of women with small children. In addition to the support of gender equality on the labour market, the strategy also focuses on combating

	<p>gender stereotypes, increasing the representation of women in decision-making positions, the support of availability of childcare services and the prevention of domestic and sexual violence. In 2021, the Office of the Government of the Czech Republic will be coordinating the fulfilment of the strategy. New operational programmes for the 2021-2027 programming period in the framework of the European Social Fund Plus (ESF+), e.g., OP E+, OP JAK or EA/Norway funds, will be used for financing the measures of the strategy.</p>
<p>Increase the quality and inclusiveness of the education and training systems, including by fostering technical and digital skills and promoting the teaching profession.</p>	<p><u>The fulfilment of CSRs is covered in the proposed NR Plan component: 3.1 Innovation in Education in the Context of Digitalisation</u>, where attention is paid in part to preventive measures to help eliminate the digital divide between students from stimulating family backgrounds and those who come from non-stimulating backgrounds or from structurally-disadvantaged regions. In this component, 4.857 billion crowns are to be used to bolster digital, informational and computer literacy and to bolster the fund of mobile digital devices in elementary schools.</p> <p>The fulfilment of the CSRs is also contained in NR Plan component <u>3.2 Adaptation of the Capacity and Orientation of School Programmes</u>, most of all in the framework of support for the most threatened schools that are working with a heterogeneous collective, inadequate facilities, resulting in below-average education results, where support in the amount of 2 billion crowns is being considered, and then the plan is to invest at least 1 billion crowns in the NR Plan on the tutoring of elementary school pupils.</p> <p>The activities leading to the fulfilment of the CSRs will also be supported from the Operational Programme Jan Amos Komenský (OP JAK) (2021-2027). On 19.10.2020, the Government approved the Strategy of the education policy of the Czech Republic until 2030+ (Strategy 2030+). The task for Strategy 2030+ is to clearly specify the direction the development of education will take and the priority of investments for the next ten years. The goal is to modernise the Czech Republic's education system in the area of regional education, interest and non-formal education and lifelong learning, to prepare it for new challenges, while also resolving problems that persist in Czech education. Strategy 2030+ has two main strategic goals. The first is to focus on the transformation of the content and education method, the second on decreasing the inequalities in the access to education and the development potential of all children. The ways to realise these goals are represented by individual strategic lines, of which there are five: the transformation of education itself, the issue of inequality, the support of teachers, increasing professional capacities, trust and mutual cooperation and providing stable financing.</p> <p>The quality and inclusiveness of education will be fulfilled through the continuing process of co-education. At the same time, there is an ongoing review of the curricular documents from the pre-primary to</p>

	<p>upper secondary levels. Strategy 2030+ should also focus on the support of the digital competence of students and teachers and decreasing the digital divide. The sectoral system will be innovated as part of increasing the quality and attractiveness of vocational education. The attractiveness of the teaching profession is supported on one hand by the increasing volume of funds for teachers' wages (by 9% in 2021). The SYPO project, which is oriented on the methodological support of teachers, is also continuing. An amendment to the Act on Pedagogical Employees, which focuses on mentoring for beginning teachers and on a definition of conditions for the work of experts from practice in teaching at schools, has also been prepared. The level of cybersecurity is also an important part of a digital education. On 30.11.2020, the Government approved the National Cybersecurity Strategy of the Czech Republic. That sets the strengthening of education and enlightenment of different target groups in the area of cybersecurity as one of its strategic goals.</p>
<p>Focus investment-related economic policy on transport, notably on its sustainability</p>	<p><u>In the NR Plan, the issue of transportation investments is resolved as part of component 2.1 Sustainable and Safe Transport</u></p> <p>The first step is a multi-modal approach, which is the main tool for sustainable mobility. In the case of regular and heavy traffic flows, it is therefore necessary first and foremost to ensure the use of rail transport with electric vehicles, both for passenger and freight transport. A multi-modal approach must be beneficial not only from the perspective of the environment, sustainable development and public health, but also as an economically-advantageous alternative. Thus, an emphasis must be placed on interdisciplinary cooperation. In the timeframe of 2030, the goal of doubling the performance of rail freight transport above 300 km at the expense of direct road transport (on the basis of cooperation between road and rail carriers). A condition is the completion of the main Trans-European Transport Network for freight transport by the year 2030, ensuring the modernisation of intermodal terminals in the parameters defined in the technical specifications for interoperability and Decree no. 1315/2013/EU. A similar goal in passenger long-distance transport depends on the construction of the main high-speed routes, i.e., by the year 2040. A specific approach is required for resolving transport in cities. The goals in this area are thus of a long-term character and the financing of these areas is provided on the basis of complementarity in the use of different sources: the Cohesion Fund, Connecting Europe Facility (CEF), European Regional Development Fund (ERDF), RRF (NR Plan – Sustainable and Secure Transport component), state budget, budgets of local governments and private sources – public-private partnerships (PPP).</p> <p>The second step is the optimisation of the individual transport types from the perspective of improving the quality of the services and increasing their operational safety through the introduction of digital technologies and the gradual introduction of alternative drives in all types of transport, with the goal of gradually achieving carbon neutrality. Measures will be introduced both on the transport infrastructure and as</p>

	<p>part of the renewal and modernisation of modes of transport. Thus, various sources of financing will also be used on the basis of complementarity: the Cohesion Fund, CEF, ERDF, RRF (NR Plan – Sustainable and Secure Transport component), state budget, budgets of local governments.</p>
<p>Focus investment-related economic policy on digital infrastructure</p>	<p><u>In the NR Plan, this theme is covered in component 1.3 Digital High-Speed Networks:</u></p> <p>The building of a Very High-Capacity Network (VHCN) is the basic prerequisite for the development of a digital economy on the whole and also for the EU’s future single internal market, as part of which the following is planned:</p> <ul style="list-style-type: none"> • Connecting address points to VHCNs, including the connection of socio-economic actors (specifically an increase in the number of address points and socio-economic actors connected through VHCNs by 21,000); • Connecting municipalities and the connection of their local districts (specifically increasing the number of municipalities connected through Very High-Capacity Networks, i.e., backhaul, by 300); <p>It is in the state’s interest for selected transport corridors to be continually covered by a 5G signal in the necessary parameters, in full and in priority, both for passengers and especially for the application of connected and automated CAM mobility.</p> <p>At the same time, it will be necessary to test, to a limited extent, the deployment of Cooperative Intelligent Transport Systems (C-ITS) in the 5G network and to support targeted public support:</p> <ul style="list-style-type: none"> • for the development of applications for traffic corridor verticals of the 5G network ecosystem; • for scientific research activities connected with the technical development of the 5G infrastructure, including preparations for the transition to its next generations. <p><u>Furthermore, the recommendation is applied in the NR Plan by component 1.4 Digital Economy and Society, Innovative Start-ups and New Technologies and component 1.5 Digital Transformation of Enterprises.</u></p>
<p>Focus investment-related economic policy on low carbon and energy transition, including energy efficiency, taking into account regional</p>	<p><u>Covered in components 2.2 Reduction of Energy Consumption in the Public Sector, 2.3 Transition to Cleaner Energy Sources, 2.5 Building Renovation and Air Protection and 2.7 Circular Economy and Recycling and Industrial Water</u></p> <p>The NR Plan component 2.2 Reduction of Energy Consumption in the</p>

disparities	<p>Public Sector is focused on the renovation of state buildings and public lighting. The component is currently under preparation. The goal of the component is to increase the number of quality building renovations of state organisational units and to support the renovation of public lighting in municipalities. Smart elements will be introduced as part of the supported activities, i.e., control and automation, the use of BIM (Building Information Modelling) and the connection of the public lighting system to the charging infrastructure for electric vehicles.</p> <p>The goal of component 2.3 Transition to Cleaner Energy Sources is the further development of photovoltaic sources and the related replacement of fossil energy sources, with the goal of decreasing the emission intensity of the Czech economy and decreasing the emissions of pollutants, as well as the modernisation of thermal energy distribution systems, specifically the replacement of steam heat distribution with warm/hot water heat distribution systems leading to savings of primary energy sources.</p> <p>The goal of component 2.5 Building Renovation and Air Protection is to speed up the renovation of household buildings, the support of the adaptation of buildings to climatic changes and measures for the protection of the atmosphere, through the replacement of obsolete and unsuitable heat sources and the installation of photovoltaic systems in the housing sector. The measures lead to the considerable increase in energy savings (8.4 PJ), the decrease of greenhouse gas emissions (1350 kt CO₂) and emissions of pollutants to the atmosphere and also to increase the adaptation and resilience of households to climate change. Reforms for the streamlining of the programme for the support of renovations (New Green Savings, NGS), the improvement of the overall framework for the support of renewable energy sources (RES) and the support of community energy with the participation of households are implemented in the framework of the component.</p> <p>The goal of component 2.7 Circular Economy and Recycling and Industrial Water is to support, in accordance with the strategic EU documents, the faster transition to a circular economy in the Czech Republic, leading to the achievement of the sustainable development of society and approaching the European “recycling society”.</p> <p>As part of the component, investments are planned in:</p> <ul style="list-style-type: none"> • the construction of a recycling infrastructure, especially in the development of a circular economy in the area of biodegradable waste management; • the building of infrastructure for energy use, primarily of non-recyclable, dangerous and medical waste; • the support and development of circular solutions for business subjects;
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	<ul style="list-style-type: none"> • the support of projects oriented on the economical use of water in industry. <p>The planned investments in the strengthening of the principles of a circular economy contribute to:</p> <ul style="list-style-type: none"> • the return of treated waste as a secondary raw material for the economy and the saving of primary sources; • increasing the self-sufficiency in securing deficit raw material sources; • decreasing the dependency on imports of raw materials; • decreasing the energy and material intensity of production; • decreasing operating expenses; • decreasing the production of waste and its dumping; • the creation of new jobs; • the creation of new business models, the reduction of greenhouse gases; • the creation of new recycling capacities; • getting critical raw materials back to the economy; • innovations to the waste and recycling sector. <p>The recommendations in the area of investments in the increase of energy efficiency is fulfilled through programme finances through national funds and EU resources. These are national programmes, operational programmes, the Modernisation Fund and the NR Plan. The support is currently being set up.</p>
<p>Reduce the administrative burden on investment and support more quality-based competition in public procurement.</p>	<p><u>Reducing the administrative burden for investments – covered in component 1.6 Acceleration and Digitalisation of Construction Proceedings, including Conditions for the Wider Digitalisation of the Public Administration.</u></p> <p>Decreasing the administrative burden for investments – covered in component 1.6 Acceleration and Digitalisation of Construction Proceedings, including Conditions for the Wider Digitalisation of the Public Administration.</p> <p>The support of competition based more on quality criteria in the area of public procurement - methodologies for contracting authorities concerning the evaluation of offers on multiple criteria are published; methodologies of socially-responsible procurement based on multi-criteria evaluations are prepared. The Ministry for Regional</p>

	<p>Development (MoRD) also performs an educational programme for public procurement, where the multi-criteria evaluation of offers is explained and presented to the public (contracting authorities and suppliers) at seminars, both in regular seminars on public procurement and in a special block that is dedicated to the economic assessment of offers.</p> <p>The Czech Republic used the opportunity according to the procurement directives and made price competition impossible in some categories.</p> <p>The progress achieved by the Czech Republic is also significant in the area of the consideration of quality in public procurement.</p> <p>Competition based more on quality criteria is also supported by component 4.1 System Support of Public Investments.</p>
<p>Remove the barriers hampering the development of a fully functioning innovation ecosystem</p>	<p>The strategic framework plan that should help the Czech Republic become one of the most innovative countries in Europe over twelve years is the Innovation Strategy of the Czech Republic 2019 – 2030 (IS). It formulates the importance of two basic instruments of future posterity: research, development and innovation on one hand and digitalisation on the other and their support directs the Czech economy to future prosperity. The essence of the IS lies in the penetration of departmental concepts and strategies, by which the state defines concrete goals in areas such as digitalisation, smart specialisation strategy, infrastructure, intellectual property protection and more. The individual pillars represent a set of measures in a specific problematic area, whereas truly key and cross-cutting instruments intersect multiple pillars. In December 2019, the Government approved the IS management and coordination system, which is built on the specific measures for each of the pillars, outlines the dates for their gradual implementation and also includes a summary of already-implemented projects. The document also declares the division of competences between the two main IS actors, where the Research, Development and Innovation Council of the Government (RDIC) takes on the management and conceptual role and the MIT the executive and coordination role. The implemented projects include, for example, the reduction of the administrative burden in the system for the support of research, development and innovation (a working group under the leadership of the Vice-Chairman of the RDIC has been set up to discuss the necessary measures), <i>The Country For The Future</i> programme targeting the creation of innovative companies - high-tech start-ups (MIT); the implementation of the National Strategy for Artificial Intelligence (MIT); an amendment to the rules for tax deductions for research and development (R&D) (MF); and other projects implemented by MEYS, the MT, the Industrial Property Office, the Technology Agency (TA CR) and others.</p> <p>The national R&D&I policy presents the strategic framework for the development of all components of research, development and innovation</p>

(R&D&I) in the Czech Republic. In the period of 2019-2020, the measures for updating the National Research, Development and Innovation Policy of the Czech Republic for the period of 2019-2020 (2018 update) were continuously implemented. At the same time, a new National Policy for the period 2021+ was prepared, which in the IS structure represents one of the instruments for fulfilling the objectives in the Financing and Evaluation of Research and Development pillar. The new National R&D&I Policy 2021+ was approved by the Government in July 2020 and also reacts to 21st-century risks and threats of a global nature through a newly proposed measure to support specific research programmes relevant for areas of defined threats with society-wide impact.

One of the main tools for the management of the R&D&I system is Methodology 17+, approved by the Government in February 2017, the sense of which is to change the evaluation system for research organisations from a system based on quantity to one based on the evaluation of the quality and impact of the research and development results. Methodology 17+ was refined for all evaluation modules in the university segment and the implementation of the first comprehensive evaluation was launched, beginning in the autumn of 2019 and ending in 2021.

The National RIS3 Strategy 2021-2027, which was approved by the Government on 25.1.2021, is based on revised bases. The analytical and design part is based on performed analyses and an emphasis has been placed on a clear structure of key areas of changes and objectives. The Strategy prioritises R&D&I themes according to national needs based, inter alia, on the discussion of national innovation platforms, while taking into account ongoing megatrends, social challenges and new technologies.

In the first half of 2020, the preparation of an extensive amendment to the Act on the Support of R&D&I was completed, which enshrines, inter alia, support for innovation, the introduction of non-subsidy R&D&I support instruments, the simplification and increased flexibility of the R&D&I support system, etc. The amendment to the Act was approved by the Government in December 2020. The debate on the amendment to the Act as document 1118/0 is currently included for the first reading on the agenda of the 104th meeting of the CDP (from 25.5.2021).

The Government simultaneously approved the methodological recommendation "Identification of Economic and Non-Economic Activities of Research Organisations and Research Infrastructures in Research, Development and Innovation" prepared by the Research, Development and Innovation Council, which should increase the cooperation between research organisations and companies by removing legal ambiguities on the limit of cooperation.

The Government also discussed the Evaluation of the Fulfilment of the

	<p>Action Plan for the implementation of the National Strategy for Open Access to Scientific Information of the Czech Republic for the years 2017 - 2020, prepared by the Council for Research, Development and Innovation, for the whole period of its validity.</p> <p>Activities leading to the fulfilment of the CSRs are supported from the Operational Programme Research, Development and Education (OP RDE) (2014-2020) and will also be supported by the Operational Programme Jan Amos Komenský (OP JAK) (2021-2027).</p> <p><u>NR Plan components 5.2 Support for Research and Development in Enterprises and the Introduction of Innovation into Business Practice and 1.4 Digital Economy and Society, Innovative Start-ups and New Technologies also reacted to this part of the CSRs.</u></p>
<p>In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery.</p>	<p>The Czech Republic has adopted a wide range of measures aimed at mitigating the health and economic effects of the COVID-19 pandemic and its socio-economic consequences it evoked throughout society. Almost CZK 250 billion, i.e., 4.5% of the GDP, was allocated from direct aid in the form of:</p> <ul style="list-style-type: none"> a) tax measures, including insurance premiums (compensation bonuses for SEPs, persons on CFW/WPA, small limited liability companies, loss carryback, across-the-board waivers of advance payments, a reduction of VAT and the road tax, waiver of advance payments of social and health insurance premiums for SEPs, waiver of social insurance paid by the employer for smaller businesses, ...), b) transfers and payments related to healthcare (the stabilisation of the public health insurance system by increasing the payment for the state insured, central purchases of protective equipment and medical materials, etc.), c) social transfers (extension of care-giver's allowance, including for SEPs, price compensation for beneficiaries of pension insurance benefits), d) direct support to companies (Antivirus A, A plus, B, COVID-nájemné (COVID-Rent), COVID-Ubytování (COVID-Accommodation), COVID-Ubytování II (COVID-Accommodation II) - collective accommodation facilities (HUZ) and individual accommodation facilities (IUZ), COVID Záruka CK (COVID-Travel Agency Guarantee), SGAFF loans, COVID-Lázně (COVID-Spa), COVID-Podpora cestovního ruchu (COVID-Tourism Support), COVID-Školy v přírodě (COVID-School Trips)) <p>Individual adjustments to personal income tax and corporate income tax advances and actual payment shifts (in the estimated value of about CZK 13 billion) or deferral of EET were made. In addition,</p>

	<p>principal or interest payments amounting to CZK 300 billion on loans were postponed.</p> <p>Last, but not least, two large guarantee programmes were approved (COVID III and COVID Plus) that, along with other products of the Czech-Moravian Guarantee and Development Bank (CMGDB) and the insurance capacity of the Export Guarantee and Insurance Company (EGAP), amount to CZK 860 billion (15.5% of the GDP).</p> <p>The consequence of the approved measures is not only a limited estimated downturn in the economy, but also its effects on the budgets of households, companies, as well as many parts of the public sector.</p> <p>The introduction of a systematic measure for short-time work (known as ‘kurzarbeit’) is being prepared in the form of a separate employment policy measure anchored in the Employment Act.</p>
<p>When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment</p>	<p>For 2020, the amount of the capital expenditures was gradually increased to a record level by amendments to the State Budget Act. On 22.12.2020, Act No. 609/2020 Coll., which amends certain acts in the area of taxes and certain other acts, effective from 1.1.2021, was adopted. This, inter alia, amended the Act on Budget Responsibility Rules in a manner that allows fiscal expansion in 2021 in accordance with the needs of the epidemiological situation and the need for economic recovery. It subsequently guarantees a trajectory of consolidation of the public finances of the Czech Republic compatible with the Council Regulations implementing the European Stability and Growth Pact. The consolidation of the structural balance of the government institution sector will be carried out by at least 0.5 percentage points year-on-year until the medium-term budgetary goal valid for the Czech Republic is reached. This should not disrupt the fragile recovery of the Czech economy in a world of global risks and uncertainties. At the same time, however, it does not rule out faster consolidation if the overall situation permits or if circumstances demand it. Funds from the <i>Next Generation EU</i>, inter alia, are planned to support the recovery and increase of investments.</p>
<p>Ensure the resilience of the healthcare system, strengthen the availability of health workers, primary care and the integration of care, and deployment of e-health services</p>	<p><u>Covered in component 6.1 Increasing the Resilience of the Healthcare System, 6.2 National Plan to Strengthen Cancer Prevention and Care and 1.1 Digital Services for Citizens and Businesses (e-Health)</u></p> <p>Centres of highly-specialised oncological care (CHSOC) contribute significantly to the prevention of cancer. In 2019, a new call for applications for the status of a centre of highly-specialised oncological care was announced pursuant to Act No. 372/2011 Coll., on Healthcare Services and Conditions of their Provision. All existing CHSOCs were granted the status for another 5 years, i.e., until the year 2024. All methods of primary and secondary prevention of cervical cancer are</p>

available in the Czech Republic. Measures introduced in this area are, for example, paid vaccination against human papillomavirus (HPV) infection in 13-year-old children and the availability of highly-sensitive tests to detect HPV infections. Preventive HPV DNA tests for all women over 35 and 45 years of age will be covered from public health insurance. Furthermore, in 2020, the age limit for the detection of occult bleeding in the stool with a special test was lowered from 55 to 50 years of age as part of preventive examinations at a registered general practitioner. This measure will contribute to the early detection of colorectal cancer.

The activity of the **National Screening Centre of the Institute of Health Information and Statistics of the Czech Republic (IHIS)** in the area of the coordination of the optimisation of screening and early detection programmes for cancer and other serious diseases is also part of the fulfilment of the recommendations in the area of the resilience and efficiency of the healthcare system, especially in terms of their continuous evaluation and improvement of their effectiveness and equity (population-based cancer screening programmes), as well as support for the introduction of new programmes (e.g., a programme for the early detection of lung cancer, screening for spinal muscular atrophy in newborns, pilot projects for early detection of other diseases).

In the framework of primary care reform, the issue of relaxing prescription restrictions for certain types of medicines for general practitioners is currently being resolved.

In component 1.1 **Digital Services for Citizens and Businesses**, there is the reform of the computerisation of healthcare, where a challenge for healthcare is the launch of a coordinated digital transformation, used for the reform of healthcare services and access to them through newly-implemented digital services. The standardisation of the exchange of healthcare records and its implementation in practice is a significant challenge. The Czech Republic must build shared central services that will provide and link data from the central data pool of the CR and simplify the more efficient use of state-funded healthcare services by end-users. The construction and development of systems supporting the computerisation of healthcare, the construction and development of an e-health infrastructure, which is a necessary precondition for the introduction of central digital services for healthcare providers, healthcare professionals and patients is planned within the framework of component 1.2 **Digital Public Administration Systems**. These measures are in accordance with the **National eHealth Strategy** and the **Health 2030** strategy adopted by the Government of the Czech Republic. The primary goal is to resolve interoperability and standardisation, the exchange of healthcare records; the development of an eHealth portal, the secondary use of healthcare data, the provision of information from central registers; support for innovative projects, especially telemedicine, which brings new and more effective

	<p>procedures to healthcare, which have proven particularly effective during the pandemic. The provision of cybersecurity and the protection of personal data are absolutely essential complementary components meant for health service providers. One suitable solution is cooperation with the private sector, which often has sufficient cybersecurity in place and can offer the public sector its know-how, services and data handling to protect against hacker attacks on healthcare facilities. Training in cybersecurity is also important in the development of digital competence. The information literacy, responsibility and resilience of the population to cyber threats are important attributes for the development of digital literacy and the development of a digital society.</p>
<p>Support employment through active labour market policies, the provision of skills, including digital skills, and access to digital learning</p>	<p><u>This is covered in the NR Plan in component 3.3 Modernisation of Employment Services and Labour Market Development.</u></p> <p>The measure is fulfilled in accordance with the Employment Policy Strategy 2020 through the implementation of the Active Employment Policy (AEP) and in the framework of the fulfilment of the measure for the Analysis of Supply and Demand on the Labour market. The instruments and measures of the AEP have long been part of the employment policy, defined in Act No. 435/2004 Coll., on Employment, as later amended, and new or innovative AEP instruments are also being piloted. The targeting of AEP instruments is, among others, within the framework of OP E or the newly-proposed OP E+. They are being modernised and better targeted in favour of the most disadvantaged persons. The area of the development of skills is supported specifically through the implementation of retraining and projects supporting employee training in companies. The development of digital competence is supported through the implementation of the measures of the Action Plan of the Digital Literacy Strategy of the Czech Republic for the period of 2015 to 2020. One of the specific projects implemented in the area of support for the development of digital competence is the DigiKatalog project, in which a smart online system is created, which will enable everyone to check their level of transferable digital competence, on the basis of which they will be offered relevant training courses.</p> <p>Strengthening support for further education, especially with regard to the needs of Industry 4.0, its effects and the effects of digitalisation (part of the NR Plan component), is being prepared, including the creation of retraining centres using modern technologies (virtual reality) and enabling employment/retraining for the needs of modern workplaces, strengthening the tripartite coordination of further education and making further education more accessible to a wider range of people (e.g., testing the pilot introduction of learning accounts, etc.).</p> <p>Cybersecurity will also be addressed as part of the development of digital competence. The information literacy, responsibility and resilience of the population to cyber threats are important attributes for</p>

<p>Support small and medium-sized enterprises by making greater use of financial instruments to ensure liquidity support, reducing the administrative burden</p>	<p>the development of a digital society.</p> <p>Digitalisation in the area of decreasing the administrative burden are covered in component 1.2 Digital Public Administration Systems. The streamlining of the activities of individual public administration bodies as such, the strengthening of the coordination of central bodies towards the territories and the strengthening of the coordination between individual central public administration bodies amongst themselves are then addressed in component 4.4 Increasing the Efficiency of the Public Administration. Specifically, the reforms in this component focus on <i>a) strengthening the application of an evidence-informed approach in public administration</i> (part of the solution to this sub-section of the reform is to set up the activities of a newly-established central analytical unit that will, on the one hand, spread awareness of the importance of evidence-informed principles among all relevant public administration stakeholders, while simultaneously providing advice and methodological guidance on the correct application of qualitative and quantitative analytical methods to the relevant units in public administration) and <i>b) improving the pro-client method of public administration in the Czech Republic</i> (the aim of this part of the reform is to implement targeted training programmes and provide methodological support to municipalities in this area - in connection with the implemented training programme for officials of local government units under the PGR project).</p> <p>The measures prepared by the Government of the Czech Government were aimed at both direct support and at securing liquidity (see the text above).</p> <p>As part of the cooperation between the MIT and the MI, the MIT's Unified Registration Form (URF) service was made available on the Citizen's Portal, enabling the creation of an electronic submission to the Trade Licensing Office. Submissions to the income tax and road tax authorities, the social security administration, the Labour Office and the health insurance companies can also be made through the URF. In the URF application, it is possible to use the online electronic user identification service from the eIdentita.cz identification portal. In the case of a logged-in user, data about his/her person can be obtained from basic registers and used to fill in the URF form.</p> <p>In 2020, the MIT and the MI implemented another link between the Trade Register (the information system of the Trade License Register) and the Citizen Portal. Through the Citizen Portal, entrepreneurs have the opportunity to make more convenient electronic submissions in matters of trades (to report a trade, to notify a change of data, etc.) by redirecting to the interactive form of the URF web application with the possibility of automatically filling in the data on the submitter kept in the Trade Register and basic registers with verification of the identity of the submitter through the National Point for Identification and</p>
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	<p>Authentication.</p> <p>The continuous expansion of the functions of the Trade License Register information system brings considerable cost savings to entrepreneurs and reduces their administrative burden.</p> <p>In accordance with the Strategy for the Support of SMEs in the Czech Republic for the period of 2021-2027, the MIT will also ensure facilitation of the access of SMEs to external financing for the purpose of their further development, the introduction of innovative solutions, investments and growth, including access to credit financing and alternative equity and quasi-equity instruments, in particular through specific goal 2.1 of the OP TAC.</p>
<p>Support small and medium-sized enterprises by making greater use of financial instruments to ensure liquidity support, reducing the administrative burden and improving e-government</p>	<p>Part of the measures related to eGovernment improvements are covered in the NR Plan, specifically in components 1.1 Digital Services for Citizens and Businesses, 1.2 Digital Public Administration Systems, 1.6 Acceleration and Digitalisation of Construction Proceedings.</p> <p>The implementation of the Government's strategic materials in the area of eGovernment is taking place in accordance with the action plans for implementation. The Digital Czech Republic Strategy, or its 2nd pillar, the Information Conception of the Czech Republic, states the Czech Republic's goals in the area of the digitalisation of the public administration. The National Architectural Framework and the National Architectural Plan are integral parts of the Information Conception of the Czech Republic.</p> <p>In addition to the Digital Czech Republic Strategy, the Czech Republic is also implementing other strategic materials related to the digitalisation of the public administration. In the last two years, there have been significant shifts consisting in the introduction of new instruments and the development of a digital-friendly legislative framework with a focus on building capacities and increasing the professional competence of public administration employees. The performed measures lead to an improvement in the quality of the provisioning of digital public administration services.</p> <p>In 2020, the Digital Czech Republic Strategy was updated, inter alia, in accordance with the priorities on the EU level. New implementation plans were approved and the Digital Czech Republic Programme Implementation Report for 2020 was submitted.</p> <p>In January 2020, the Czech Republic adopted the “Digital Constitution”, an act on the right to digital services. Thanks to this new legislation, within five years, individuals and legal entities will be able to perform transactions digitally and public authorities will be obliged to provide digital services. This act regulates the right of individuals and legal entities to act exclusively digitally in their relations with public authorities. This will contribute to more effective communication with</p>

	<p>the public administration on all levels.</p> <p>During the course of 2020, a government bill amending certain acts in connection with the further computerisation of the procedures of public authorities was discussed. The CDP approved this government proposal on 5.3.2021.</p> <p>The Czech Republic is gradually integrating the eGovernment services provided by various public administration bodies into a "self-service portal" of the public administration: the Citizen Portal.</p> <p>Projects such as digitalisation of construction procedures, My Taxes, eJustice and others are being prepared. A banking identity project was launched in January 2021. In connection with this project, Act No. 21/1992 Coll., on Banks, as later amended, was amended to allow banks to offer the banking identity service after successfully completing an accreditation process.</p> <p>At the same time, work is continuing on expanding services for citizens and companies on the Citizen's Portal. For example, the new functionality of the Service Forms offers a list of links to forms located on the portals of cooperating authorities, which is gradually being expanded.</p> <p>As regards the increased use of financial instruments, component <u>4.2 New Quasi-Equity Instruments for the Support of Business and the Development of the CMGDB in its Role of a National Development Bank and the Increase of its Registered Capital</u> should assist.</p>
<p>Front-load mature public investment projects and promote private investment to foster the economic recovery.</p>	<p>Covered in component <u>4.1 Systemic Support of Public Investment</u></p> <p>Component 4.1 is based on an allocation of CZK 2.4 billion to support the preparation of projects and PPP projects, which will enable the subsequent implementation of projects, and help the economic recovery or help to curb any problems caused by the slowdown in preparation due to a decline in the income of individual public investors. The component aims at increasing the number of implemented PPP projects through methodological and staffing assistance, though of course especially through financial assistance in the preparation of this type of project.</p>
<p>Focus investment on the green and digital transition, in particular on high-capacity digital infrastructure and technologies, clean and efficient production and use of energy, and sustainable transport infrastructure, including in</p>	<p>Covered in component <u>1.3 Digital High-Speed Networks</u></p> <p>The building of a Very High-Capacity Network (VHCN) is the basic prerequisite for the development of a digital economy on the whole and also for the EU's future single internal market, as part of which the following is planned:</p> <ul style="list-style-type: none"> ▪ Connecting address points to VHCNs, including the connection of socio-economic actors (specifically an increase in the number of address points and socio-economic actors connected through VHCN by 21,000);

<p>the coal regions.</p>	<ul style="list-style-type: none"> ▪ Connecting municipalities and the connection of their local districts (specifically increasing the number of municipalities connected through Very High-Capacity Network, i.e., backhaul, by 300). <p>It is in the state’s interest for selected transport corridors to be continually covered by a 5G signal in the necessary parameters, in full and in priority, both for passengers and especially for the application of connected and automated CAM mobility.</p> <p>At the same time, it will be necessary to test, to a limited extent, the deployment of Cooperative Intelligent Transport Systems (C-ITS) in the 5G network and to support targeted public support:</p> <ul style="list-style-type: none"> ▪ for the development of application for traffic corridor verticals of the 5G network ecosystem; ▪ for scientific research activities connected with the technical development of the 5G infrastructure, including preparations for the transition to its next generations. <p>Further covered in component <u>1.5 Digital Transformation of Enterprises</u></p> <p>The component for the digital transformation of enterprises focuses on the creation of a connected and sustainable ecosystem, the operation of which will be covered by the newly-created Digital Economy Platform. Component 1.5 aims at the support of the digitisation of industry through individual investments. A clear and logical linking of investments will enable the reform of the ecosystem of support for the digital transformation of industry.</p> <p>The goal of a fully-functioning digital transformation ecosystem is the comprehensive interconnection of all the actors in the system and their active offer to other subjects in order to meet the needs of the market. The principle of support is to enable an offer to all subjects in order to increase digital transformation and use new and emerging technologies.</p>
<p>Focus investment on the green and digital transition, in particular on high-capacity digital infrastructure and technologies, clean and efficient production and use of energy, and sustainable transport infrastructure, including in the coal regions.</p>	<p><u>Covered in components 2.1 Sustainable and Safe Transport, 2.2 Reduction of Energy Consumption in the Public Sector, 2.3 Transition to Cleaner Energy Sources, 2.5 Building Renovation and Air Protection and 2.7 Circular Economy and Recycling and Industrial Water</u></p> <p>The NR Plan component 2.2 Reducing of Energy Consumption in the Public Sector is focused on the renovation of state buildings and public lighting. The component is currently under preparation. The recommendations in the area of investments in the increase of energy efficiency is fulfilled through programme finances through national funds and EU resources. These are national programmes, operational programmes, the Modernisation Fund and the NR Plan. The support is</p>

currently being set up.

Within the preparation of the NR Plan/RRF in component **2.4 Development of Clean Mobility**, the MIT proposes to support the building of infrastructure and the acquisition of vehicles running on alternative fuel (electric, H₂) in accordance with the RRF Decree. Unfortunately, the RRF Decree does not make it possible to support the use of other alternative fuels such as LNG, CNG and bioCNG. Other measures aimed at building infrastructure and acquiring vehicles running on alternative fuel (electro, H₂, LNG, CNG) are included in the updated National Clean Mobility Plan, which was developed based on the requirements of Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of infrastructure for alternative fuels. The Government of the Czech Republic approved the update in April 2020. It assumes that support for the development of an alternative fuel infrastructure will continue in the coming years in order to fulfil the relevant strategic objectives of this document, both in terms of the number of vehicles using the individual types of alternative fuel and the number of relevant types of charging or refuelling stations by the year 2030.

The goal of component **2.5 Building Renovation and Air Protection** is to speed up the renovation of household buildings, the support of the adaptation of buildings to climatic changes and measures for the protection of the atmosphere, through the replacement of obsolete and unsuitable heat sources and the installation of photovoltaic systems in the housing sector. The measures will lead to a considerable increase in energy savings (8.4 PJ), the decrease of greenhouse gas emissions (1350 kt CO₂) and emissions of pollutants to the atmosphere and also to an increase in the adaptation and resilience of households to climate change. Reforms for the streamlining of the programme for the support of renovations (NGS), the improvement of the overall framework for the support of renewable energy sources (RES) and the support of community energy with the participation of households are implemented in the framework of the component.

Support for the circular economy, clean energy and energy savings and reclamation, including the new use of land, especially in coal regions, is enshrined in the OP Just Transition 2021-2027. Component **2.7 Circular Economy and Recycling and Industrial Water** fundamentally connects the green and digital agenda and will thus, in the framework of the planned investments, contribute to the transformation of society to the principles of the circular economy in the context of the Green Deal for Europe. The planned investments for the construction of a recycling infrastructure are in accordance with the climate policy and thus contribute to the green transition objective. Investments in the energy infrastructure, especially for non-recyclable, hazardous and medical waste, are in accordance with the "do no significant harm" principle and contribute to the EU's goals in the area of limiting landfills. Investments into functional and resource-efficient solutions for resource management

	<p>in enterprises; waste prevention; the optimisation of production processes and conservation solutions for water management will also be supported in the framework of the components.</p>
<p>Ensure access to finance for innovative firms and improve public-private cooperation in research and development</p>	<p>Covered in component <u>1.4 Digital Economy and Society, Innovative Start-ups and New Technologies, in the framework of component 4.5 Development of the Cultural and Creative sector</u> (the announcement of a call in the programme from TA CR to support social sciences, humanities and arts is planned) <u>and in component 5.2 Support for Research and Development in Enterprises and the Introduction of Innovations into Business Practice</u> (the component will be fulfilled by the implementation of specific supported research, development and innovation projects in several approved support programmes or in international calls).</p>

3 Reforms and public investment

3.0 Structural reforms

Tax policy

The Government's long-term priority remains a transparent tax environment, minimising distortions, reducing the administrative burden of tax collection, computerisation, the protection of health through tax policy and combating tax evasion. Due to the absolutely exceptional situation that arose due to the COVID-19 pandemic, **immediate measures were taken to support the affected areas of the economy**. This support, which is as non-selective as possible, is mainly aimed at increasing the disposable income in order to revive the economy.

Beyond the measures that have long been under preparation, such as the flat-rate tax, a major amendment to the tax code (the MY Taxes project, the refund of the undisputed part of the excessive VAT deduction, the revision of the penalty system and the simplification of control procedures), the meal voucher flat-rate, the increase in excise duty rates on tobacco products, **quick measures to support the economy** have been proposed (loss carry back, cancellation of the super-gross wage, the introduction of extraordinary tax depreciation, reduction of the excise duty rate on diesel fuel, reduction of the road tax, cancellation of the real property transfer tax, extension of the application of the second reduced VAT rate in the amount of 10%, waiver of the June advance payment of personal income tax (PIT) and corporate income tax (CIT), deferral of tax obligations for businesses affected by the government's anti-coronavirus measures, namely all payments of VAT tax obligations and advance payments of PIT and CIT and advance payments of the road tax, as well as the waiver of fines and selected tax accessories in specific cases, the deferral of EET, a compensation bonus).

The **loss carry back** of personal and corporate income taxes consists in the possibility for subjects to retroactively deduct the incurred tax loss (starting from the tax period ending 30.6.2020). Thus, if a taxpayer reports a tax loss for the 2020 tax period, it will be able to retroactively reduce its tax base for the 2019 and 2018 tax periods by this loss, in an aggregate amount not exceeding CZK 30 million (the tax benefit can be at most CZK 5.7 million, which is 19% of the loss up to CZK 30 million). In this way it will get the tax paid or part of it for these tax periods back in the form of a refundable overpayment.

The cancellation of the **institute of the super-gross wage**, which is used to determine the tax base of personal income tax from employment, is a long-discussed and planned measure. The return to the classic form of determining the tax base from the gross wage will lead to the restoration of the standard form of taxation of wages and a reduction in administrative complexity, while it is the only viable form of bringing the level of taxation of SEPs and employees closer together, as recommended by the EC and the OECD. Another consequence will be an increase in disposable income for subjects, which will have pro-growth effects for the economy.

Pro-investment incentives represent measures consisting in the reintroduction of **extraordinary depreciation** for tangible assets acquired from 1.1.2020 to 31.12.2021. The taxpayer will be able to depreciate the assets in the first depreciation group without interruption over 12 months, on a straight-line basis up to 100% of the entry price, and the taxpayer will be able to depreciate the assets in the second depreciation group continuously over 24 months, applying without interruption on a straight-line basis up to 60% of the entry price for the first 12 months and on a straight-line basis up to 40% of the entry price for the following 12 months. The proposed increase in the limit for the depreciation of tangible assets, i.e., a long-standing unchanged threshold that was already limiting, and the

cancellation of tax depreciation of intangible assets, which is a sensible simplification of practice, are more significant than the economic support measure not very precisely targeting afflicted companies.

The reduction of the **excise duty rate on diesel fuel** by CZK 1 per litre will primarily reduce the costs of the transport sector affected by the pandemic, while the reduced price of diesel fuel will have a secondary positive effect on the entire economy, since transport costs are practically included in the production of all sectors. **Road tax** rates were also reduced by 25% for lorries with a maximum permissible weight of more than 3.5 tonnes in order to support this sector. Taxpayers belonging to the selected subjects are exempted from all road tax advances for 2020, while they can pay the tax for the 2020 tax period in 2021.

Recodification of the public construction law

The comprehensive recodification of the public construction law is a priority of the Government. Among other things, the recodification counts on organisational **changes within the construction administration** aimed at speeding up and streamlining the performance of the construction agenda in the Czech Republic. In justified cases, a reduction in the number of the affected authorities and the integration of selected agendas of the affected authorities into the decision-making of construction authorities are also expected. The aim is also to further speed up permit procedures, where the merging of the existing permit processes into a single procedure is proposed. Last, but not least, the recodification counts on the revision of a number of substantive regulations governing general requirements for construction and the optimal content of documentation.

The Government approved the **draft bill of the new Construction Act** on 24.6.2019. The proposed Construction Act and the draft of the related amendment act were approved by the Government on 24.8.2020. Both drafts were subsequently submitted to the CDP for debate. On 5.11.2020, the CDP held the first reading of both acts at an extraordinary session. The second reading of both bills in the CDP started on 3.3.2021 and, after an adjournment, continued on 1.4.2021. The signature of the President of the Republic and the validity of the act are expected in July 2021. The Act will enter into force gradually, starting with the creation of the new system of construction authorities, with full effect expected from 1.7.2023, due to coordination with the digitalisation of construction management.

The **new legislation on expropriation** should enable the more efficient and less time-consuming resolution of property relations in the preparation of important buildings. The MoRD submitted a substantive draft of the new Act on Expropriation to the Government at the end of 2020. The main goal of the substantive draft is to speed up the expropriation process, e.g., by reducing the length of the expropriation procedure, reducing the number and length of court proceedings and speeding up the start of construction projects that depend on the expropriation process. The debate of the substantive draft of the Act on Expropriation in the Government will be followed by the preparation of a new draft of the Act on Expropriation, so that it is submitted to the Government by March 2022.

Online creation of limited liability companies and online entry of branches of foreign companies in the Trade Register

The Czech Republic continues to strive to **make it easier to start a business and reduce the administrative burden on entrepreneurs**. Therefore, a system should be created through which limited liability companies can be completely established and entered into the Trade Register entirely online, i.e., using national identity cards with an electronic chip without the physical presence of the founders, in the framework of the transposition of Directive (EU) 2019/1151 of the European Parliament and of the Council of 20 June 2019 amending Directive (EU) 2017/1132 as regards the use

of digital tools and processes in corporate law. Similarly, the online entry of branches of foreign companies into the Trade Register should be made easier. Furthermore, the principle of *once only* (the submission of documents and data to state authorities only once) should be more consistently enforced. The given measures will lead to a reduction of the complexity and costs associated with the creation of limited liability companies and the creation of branches not only in the Czech Republic, but also in other Member States, as the founders will not be forced to physically appear before any public authority. Extending the application of the *once only* principle should lead to further savings in time and money for entrepreneurs. On 3.3.2021, a draft of an act amending certain acts in relation to the use of digital tools and procedures in corporate law and the functioning of public registers, which fulfils the task in question, was circulated for the inter-ministerial comment procedure (ICP).

Simplifying the cross-border mobility of business corporations

Another goal in the area of the **support of the Czech business environment** is to simplify the cross-border mobility of business corporations in the framework of the transposition of Directive (EU) 2019/2121 of the European Parliament and of the Council of 27 November 2019 amending Directive (EU) 2017/1132 as regards cross-border conversions, mergers and divisions. However, this is not a unilateral measure only supporting the business segment; the regulation will also increase the protection of stakeholders of business corporations (e.g., employees), which will also bring positive social effects. The harmonisation of the cross-border conversion process will lead to cost savings for business corporations that want to use cross-border mobility as part of the freedom of establishment in the EU single market and to implement certain cross-border operations (cross-border conversions, mergers or divisions) in order to further support or expand their business. At the same time, the use of digital tools, where possible, in the process of cross-border conversions should be encouraged, just like the *once only* principle (companies should not be forced to keep submitting the same documents and data to different authorities in different member states; there should be an exchange of information).

Housing

The **offer prices of flats** in the Czech Republic have increased significantly from 2010 to 2020: by 64% overall in the Czech Republic and by 84% in Prague. Real estate is a popular investment commodity for home ownership as well as for long-term rentals or for foreign investors; plus, as business projects, they are rented out via online platforms for private tourist rentals, especially in attractive locations. Another factor is the insufficient offer of residential construction, especially as a result of its low intensity, where poor investor preparation and permit processes of the construction proceedings play a role, as does a lack of infrastructure or slow revitalisation of brownfields, especially their ecological burden. Meanwhile, owning one's own home by purchasing property remains the preference in the Czech Republic. The high volume of newly-provided loans granted was supported in recent years in an environment of rising residential property prices by dynamic growth in household incomes and the relatively low level of interest rates in this segment of the credit market. In the event of an economic slowdown, an increase in household indebtedness would increase their problems in repaying their loans. About one-fifth of Czech households repay their housing loans. Most frequently these are couples with children. Meanwhile, not even households with low incomes avoid mortgages or building society loans, as it is difficult for them to find another alternative. The current extraordinary measures of the Government of the Czech Republic and other countries that were adopted in connection with the COVID-19 pandemic, also influence the entire housing sector (demand, supply, construction, loans, rents, etc.).

Interventions by the state, regions and municipalities in the area of housing should react to the current situation connected with the increasing lack of affordable housing for low- and middle-income population groups and try to ensure housing of a certain quality at affordable prices for people in need of housing.

The *Czech Housing Concept 2021+* is managed by the MoRD and was approved by Government Resolution No. 358 from 12.4.2021⁵.

The long-term objective is to speed up residential construction. In addition to partial amendments to the current Construction Act, the goal of which is to speed up the processes necessary to obtain a building permit, work is also underway on the “recodification” of the public construction act, which is one of the Government's priorities.

The MoRD, in cooperation with the Ministry of Justice (MJ), has prepared amendments to the Civil Code and the Act on the Transfer of Ownership Rights to Units and Group Houses of Some Housing Cooperatives. The aim is to simplify and speed up the establishment of owners' associations (and also to describe more precisely the management of the building and land without the establishment of a unit owners' association). The regulation of the transfer of the unit owner's debts when the unit is transferred has been proposed and the cancellation of the pre-emption right and return to the pre-2018 regulation is being proposed. The amendment to the Civil Code, the Act on Business Corporations and some other related acts was approved and came into effect from 1.7.2020. With the goal of expanding the scope of the State Housing Development Fund (SHDF) to include support for regional development, the proposed Act No. 113/2020 Coll., which amends the Act on the State Housing Development Fund⁶ and some other acts, was approved. As the focus of the Fund is expanded by this amendment to include investments in the support of regional development and tourism, it has been renamed the State Investment Support Fund (SISF) as of 1.6.2020.

Discussions on the theme of **affordable housing and the possibility of its support** have been initiated between the MoRD and MLSA. The Government has long been concerned with the deteriorating affordability of housing and related social problems. A draft act on housing affordability, which should focus both on modifying the definition of social housing and on the possibility of housing for persons without limitations, especially in the form of support for cooperative housing, which would expand the circle of persons who are able to arrange their housing themselves, has been included in the *Government's Legislative Work Plan for 2020*. The proposed Act on Affordable Housing is in the competence of the MoRD and was originally due to be submitted by the end of 2020. It was subsequently presented in the form of a comprehensive amendment to the parliamentary draft on 18.3.2021.⁷ The draft of the Act is currently being discussed in the CDP Committees.⁸

The *Social Housing Concept of the Czech Republic 2015-2025* is simultaneously being updated under the auspices of the MLSA under the changed title of the *Affordable Housing Concept of the Czech Republic 2020-2025*. However, so far, no agreement has been reached on this proposal among all ministries.

⁵ The Concept was submitted to the Government for approval in an extended period to 31.3.2021, primarily with regard to the COVID-19 pandemic.

⁶ Act No. 211/2000 Coll.

⁷ The original parliamentary draft of the Act on Public Benefit Housing Companies was presented on 10.7.2020.

⁸ The draft of the Act is presented as parliamentary document no. 952. According to the comprehensive draft, the name of the Act should be on Affordable Housing and on changes to some Acts.

The aim of the NRP in the area of social inclusion and support for affordable housing should be the financing of the goals specified in the strategic documents of the MLSA, where, in the context of the impact of the COVID-19 pandemic, the necessity to increase funding can be expected in the areas of the construction of social and affordable housing and the availability of social work to help address the prevention of social exclusion.

The MLSA has prepared legislative changes that revise and harmonise the provision of state housing benefits. The **discussed proposal for housing benefit support** aims at simplifying the system and expanding the legal grounds establishing a right to the benefit, and newly defines the eligible housing costs. The extension of the conditions for entitlement to state support by including testing of the beneficiary's activity (e.g., in the form of employment on the labour market) and compliance with the established rules (e.g., proper school attendance of children) are also being considered. Other changes under discussion are the minimum basic standards of housing quality, the de facto use of housing and the person's lack of income. As a result of the coronavirus epidemic, work on the proposed act had to be temporarily suspended for objective reasons. So far, individual provisions are being discussed with the goal of achieving the necessary agreement and effect either by means of adjustments and procedures within the ministries primarily affected by the given problem or, for the time being, leaving the solution in the proposed Housing Benefit Act or to adjust the measure within the framework of parametric changes in individual housing benefits.

Support of social housing

At the beginning of the year 2020, the evaluation of all the individual calls for social housing in the Integrated Regional Operational Programme (IROP 2014 - 2020), whose Managing Authority is the MoRD, was completed. Call No. 80 Social Housing II was increased by CZK 400 million from the European Regional Development Fund (ERDF), so that a total of approximately CZK 3.9 billion is available for social housing from Specific Objective 2.1 of IROP 2014-2020, from which a total of 5000 social flats should be built, according to the target value in the current version of the IROP 2014-2020 Programme Document. In 2021, applications will continue to be accepted in the “integrated calls” of the IROP - Integrated Territorial Investments (ITI), Integrated Territorial Development Plan (ITDP) and Community-Led Local Development (CLLD) - nos. 83, 84 and 85. Support for social housing with similar parameters as in IROP 2014-2020 is counted on again in IROP 2021-2027. The preliminary planned allocation is approximately CZK 2.9 billion from the European Regional Development Fund.

Housing support programmes

Subsidy and loan programmes for housing support are under the auspices of the MoRD, ME and SISF. The MoRD supports the housing policy of the *Housing Support* and *Housing Support in Strategic Industrial Zone (SIZ)* programmes. The *Housing Support* Programme is divided into 3 sub-programmes. The ME supports energy renovations, the use of RES and new construction in the passive energy standard in the housing sector as part of the *New Green Savings (NGS)* Programme.

From the perspective of the amount of allocated funds, the largest of these is the *Supported Flats* sub-programme, which is aimed at the creation of flats in the Czech Republic used to provide social housing for people of economically inactive age (seniors) and for people who have difficult access to housing due to special needs resulting from their unfavourable social situation. The recipients of the subsidies are the listed types of legal entities, including municipalities. The target group of future

tenants of *assisted living flats* are seniors⁹ in unfavourable social situations or persons dependent (for health reasons) on the assistance of another person. Thus, these persons regain or prolong their self-sufficiency and independence, while simultaneously enabling the effective provisioning of field social care services. The target group of *senior community homes* are persons aged 60 years and over. Senior community homes should contribute to the preservation and prolongation of self-sufficiency and independence, while simultaneously enabling a community way of life based on the principle of neighbourhood assistance. An emphasis is placed on interpersonal relationships and preserving the personal independence of each individual. Under the *Supported Flats* sub-program, 671 new flats have been built or will be built in the Senior Community House, 935 assisted living flats and 97 entry flats. Another sub-programme is *Blocks of Flats without Barriers*, through which the MoRD co-finances up to 50% of building modifications enabling barrier-free access to the building and to lifts in blocks of flats with four or more storeys (an amount of up to CZK 200,000 per entrance) and the construction of lifts in apartment buildings that have never been equipped with them (an amount of up to CZK 800,000 per lift). The third sub-programme, *Technical Infrastructure*, aims at expanding the supply of invested building land (by supporting its networking) for the subsequent construction of residential or family houses. The *Support for housing in areas with SPZs* programme supports municipalities situated in an area affected by a large investor with a rapidly growing offer of job opportunities (specifically the Solnice-Kvasiny **SISF** zone supporting housing, e.g., the *Panel 2013+ programme* (financial instruments, this year's allocation of CZK 150 million). And also¹⁰ the *Insulation programme*, which is a financial instrument of IROP SC 2.5 and makes it possible to provide interest-free loans for the energy modernisation of residential buildings under the condition of achieving overall energy consumption savings (by at least 20% compared to the state before modernisation), with an allocation of CZK 250 million for 2021.

Support for energy-saving renovations, including the replacement of inefficient and non-ecological heating sources and the use of RES in buildings for housing (family houses and blocks of flats) has been provided as part of the NGS programme since 2014. Support is also provided in the NGS programme for the construction of energy passive residential buildings and, from May 2020, contributions are also provided for the purchase of energy passive family houses and flats. Support is provided in the form of subsidies to households for investment measures in the aforementioned areas up to 50% of the eligible costs in the segment of family houses and up to 40% in the segment of blocks of flats. Support is granted retroactively in the NGS programme, i.e., after the implementation of the supported measure. As of 1.3.2021, a total of 59,678 active applications (applications in various states of administration, i.e., from approval to reimbursement) for support were registered in the programme, with the requested support amounting to CZK 18.5 billion. A total of 47,678 applications for CZK 10.4 billion have already been paid. The resource allocation of the NGS programme for the period of 2014-2021 is CZK 18.2 billion. The NGS programme is financed from a share of the proceeds from the auctioning of emission allowances (EA) as part of EU ETS pursuant to the Act on Greenhouse Gas Emission Allowance Trading. The NGS programme is rated as the most efficient programme in the Czech Republic in the area of energy savings, i.e., primarily by the achieved cost-effectiveness of the programme in terms of the savings achieved in final energy consumption. After the implementation of all the supported measures under the NGS programme, savings in final energy consumption in the amount of 8.4 PJ/year and a reduction of CO₂ emissions of 1378 thousand/year will be achieved.

⁹ Aged 65 and over.

¹⁰ Approved by a Government Decree from 13.1.2020.

A successor programme, NGS 2030, is currently under preparation. It will build on the current successful programme and is expected to be launched in the second half of 2021. The expected allocation of resources of the successor programme NGS 2030 for the period of 2021-2023 will be comprised of CZK 19 billion from the RRF under the NR Plan, from 2024 to 2030 the resources for the programme should be covered by a share of CZK 4 billion/year according to the Act on Greenhouse Gas Emission Allowance Trading.

The *Rental Flats Programme* in the form of advantageous low-interest loans (a financial instrument) will allow the applicant (individuals and legal entities, including municipalities) to acquire rental flats for specified groups of disadvantaged persons¹¹. The amount of the loan can cover up to 90% of the investment costs, while the repayment period is up to 30 years from the completion of construction. The interest rate starts from 0.5% p.a. The allocation for 2020 represents EUR 400 million. The *Regeneration of Housing Estates* subsidy and loan programme (subsidies with a possible combination with a financial instrument) has an allocation of CZK 200 million this year. This year's allocation of the *Own Housing* loan programme (formerly the *Programme for Young People* (a financial instrument)) is CZK 530 million. The *Building for Municipalities Programme* makes it possible to provide a subsidy for the acquisition of social rental flats owned by municipalities and meant for households that have low income and unsuitable housing, and an advantageous loan for the acquisition of affordable rental housing owned by municipalities for the general population in municipalities with an inadequate rental housing infrastructure. The budget for 2021 is CZK 540 million¹², with the possibility of increasing it if necessary.

The MLSA also announced call no. 108 from OP E, from the Priority Axis 2 - 2 Social Inclusion and Combating Poverty from the Investment Priority: Active Inclusion, including inclusion with regard to the support of equal opportunities and active participation and the improvement of employability and Improving Access to Affordable, Sustainable and High-Quality Services, including health and social services of general interest under the Housing First Programme with a financial allocation of CZK 150,000,000. The main objective of this call is to support the pilot extension of the Housing First concept, including the verification of Housing First principles in practice. Furthermore, Call No. 99 - The Support of Service Processes and Support of the Development of Social Work in Prague from Priority Axis 2 - Social Inclusion and Combating Poverty with the Investment Priority - Improving Access to Affordable, Sustainable and High-Quality Services, including healthcare and social services of general interest with a total allocation of CZK 100,000,000. Although both of these calls are already completed, the implementation of the projects extends until the year 2022.

Territorial dimension

The territorial dimension will always be specified in each of the individual pillars (see chapters 3.1 - 3.6), i.e., whether the pillars will (a) favour certain territories over others, (b) offer different instruments to different territories according to their specific needs, or (c) entrust certain competences to actors in the territory. Similarly, the territorial dimension will also be embedded in the NR Plan. The starting point for the identification of the territorial dimension is the Regional Development Strategy of the Czech Republic 2021+ and its action plan for the period of 2021-2022.

¹¹ These are people aged 65+, adults under 30 years of age of persons with low incomes, disabled persons, or persons who have lost their housing due to a natural disaster.

¹² An estimated calculation of the number of social and affordable flats that could arise in 2021 with this support: With the considered budget of CZK 430 million and an average subsidy of CZK 1.4 million per flat, the creation of 307 social flats can be estimated. With the considered budget of CZK 110 million and an average subsidy of CZK 2.1 million per flat, the creation of 52 affordable flats can be estimated.

The RDS 21-22 Action Plan is an implementing document of the Regional Development Strategy of the Czech Republic 2021+ (approved by Government Resolution No. 775/2019) and the Rural Development Concept (RDC; approved by Government Resolution No. 36/2020). The main function of the Action Plan is to set in detail the method of fulfilling the strategic objectives, specific objectives and type measures of the RDS 2021+ and the RDC in the form of activities that specify a clear method of fulfilment, justifying the need, identifying the main responsibilities for the activities (promoters, implementers) and estimating their financial intensity and measurability.

This area also includes the Strategic Framework for Economic Restructuring of the Ústí nad Labem, Moravian-Silesian and Karlovy Vary Regions (RE:START) also falls under this area as the basic document for the development of the three structurally-affected regions and the related approved Comprehensive Action Plans. In connection with the support to the structurally affected regions, the implementation of the Just Transition Fund (JTF) will also be resolved through the Just Territorial Transition Plan, which will be based on the above-mentioned strategic documents to a considerable extent and will contribute significantly to the achievement of European climate targets.

The SMART Cities - Resilience through SMART Solutions for Municipalities, Cities and Regions concept will also be completed on the basis of a task from the RDS 21+ Action Plan.

Tourism

The pandemic has primarily critically hit the tourism sector and related services (food producers, wineries, breweries, laundries, supply services, carriers, etc.). Despite the positive trend of the pandemic development and the vaccination rate of the population both at home and abroad, the possibility of further waves breaking out cannot be ruled out and the development of the "tourist season" to the end of this year cannot be predicted. CR service businesses continue to face problems with liquidity and these subjects are virtually "non-creditworthy" for commercial banks. This may pose a very significant threat to the restart of the sector and the quality of services provided, since a significant downturn in planned investments in this sector can be expected. This is also why tourism, or rather entrepreneurs and employees in CR services, will be involved in the National Recovery Plan. The possibility of support is expected in a number of components, but due to the stage of elaboration of the negotiation of the content of individual support programmes and measures, the list related to tourism will be completed later. In any case, it will involve the possibility of using financial instruments, employment support, the development of digitalisation and innovation in CR services.

3.1 Digital transformation

Digital Czech Republic Programme

The Digital Czech Republic (DC)¹³ programme represents a set of concepts ensuring the prerequisites for the long-term prosperity of the Czech Republic in the environment of the ongoing digital revolution. DC contains 3 pillars, which form one logical whole with a large number of internal links, but at the same time reflect the targeting of different beneficiaries and the differences in the structure given by the current legislative definition: 1. *Czech Republic in Digital Europe (CDE)*, 2. *Information Strategy of the Czech Republic (ISCR)*, 3. *Digital Economy and Society (DES)*.

The first of the pillars, *Czech Republic in Digital Europe* (managed by of the OG), is primarily aimed at ensuring effective advocacy of the Czech Republic's position when negotiating European legislation and other EU initiatives in the field of the digital economy and society. Pursuant to the implementation plans approved by the Government in June 2020, the CDE concept has three main goals - institutional coordination and implementation of the EU Digital Agenda, ensuring effective communication on current themes and opportunities in the EU Digital Agenda, and advocacy of the Czech Republic's national position on priority themes in the EU Digital Agenda.

The second pillar of the DC is the *Information Strategy of the Czech Republic* (managed by the MI). It is a basic document that specifies the objectives of the Czech Republic in the area of public administration information systems (PAIS) and the general principles of the acquisition, creation, management and operation of PAIS in the Czech Republic until 2023. The implementation of the Concept requires the cooperation of central state administration bodies and municipal governments, not only in the digitalisation of state administration agendas and the performance of state administration in delegated competences, but also in the independent activities of the local governments.

The third pillar is the **Digital Economy and Society** concept (managed by the MIT). This strategic document aims at ensuring the coordination of agendas falling under all areas of the digital economy and the life of society, across public administration, economic and social partners, the academic sphere and the professional community. Government resolution no. 644 of 15.6.2020 instructed the Minister of the Interior to submit **updated implementation plans** to the Government. From October 2020 to the second half of March 2021, the catalogue of projects was opened for editing by all interested ministries and authorities and was updated. After the proper editing of the projects and their confirmation by the managers, the implementation plans for 2021 will be created, including the expected financial allocation. The updated **implementation plans will be submitted to the Government by 30.6.2021**. The Digital Czech Republic programme will also apply, within the framework of the implementation plans, to the support for private investment in digital transformation in accordance with the recommendation of the EU Council, especially within the Digital Economy and Society pillar.

The provision of financial resources for the implementation of the priority projects that are defined in the implementation plans is an integral part of the Digital Czech Republic programme. For 2021, it was possible to secure additional funding in **the amount of approximately CZK 1.2 billion from the state budget** (compared to CZK 492 million for 2020). For the next period, the Czech Republic is preparing funding through the **National Recovery Plan**, where the Digital Czech Republic

¹³ The DC programme was approved by resolution no. 629 from 3.10.2018.

programme is implemented in the following chapters - **1.1 Digital Services to Citizens and Companies and 1.2 Digital Public Administration Systems** - in terms of the pillar of the Information Concept of the Czech Republic. The expected budget of these activities is approximately CZK 17.2 billion until 2026, with the maximum amount of drawing until the end of 2023. Furthermore, in the chapters - **1.3 Digital High-Capacity Networks, 1.4 Digital Economy and Society, Innovative Start-ups and New Technologies and 1.5 Digital Transformation of Enterprises** - from the perspective of the Digital Economy and Society pillar. The expected budget for these activities is on the level of approximately CZK 14 billion by 2026. For the creation and development of the digital ecosystem, the Czech Republic also counts on co-financing from the Digital Europe programme, to which components 1.4 and 1.5 of the NR Plan also refer. Connecting national and EU financial resources will lead to the efficient use of resources and the creation of a long-term sustainable and interconnected digital ecosystem. Digitalisation activities are also part of other NR Plan chapters (MoRD - Digitalisation of construction management, Introduction of a central online register of accommodated guests in the Czech Republic, MJ - eJustice, MEYS - eEducation, MH - eHealth). The estimated budget for these activities is approximately CZK 10 billion. The Digital Czech Republic programme coordinates all digitalisation activities within the components, for which it is responsible and the digitalisation parts of the components of other authorities so as to avoid duplication and inefficient use of funds.

In the 2021-2027 programming period, eGovernment will also be supported by the Integrated Regional Operational Programme 2021-2027 (IROP) through the specific objective 1.1. Exploiting the Benefits of Digitalisation for Citizens, Businesses and Governments, for which approximately EUR 584 million is currently allocated. The preparation and identification of individual calls and projects is underway, with the Digital Czech Republic Catalogue of Projects being one of the basic sources of information on prepared and planned projects in the aforementioned period. Within the framework of specific objective 1.1, projects amounting to CZK 15 billion are expected to be implemented (of which approximately CZK 7.5 billion will be directed to the area of eGovernment, CZK 4.5 billion to the area of cyber security and CZK 3.5 billion to the area of electronic healthcare (eHealth)).

Electronic identification - bank identity project

In 2021, a bank identity project was launched, inspired by similar projects in other Member States. Clients using internet banking will be able to use the same Internet banking login details to log in to online public administration services (online services of state authorities and local self-government bodies) and other third parties. In connection with this project, Act No. 21/1992 Coll., on Banks, as later amended, was amended, thanks to which banks will be able to offer the banking identity service after 1.1.2021 and after successfully completing an accreditation process. A list of all granted accreditations (not only in connection with the bank identity project) is available at: <https://www.mvcr.cz/clanek/seznam-udelenych-akreditaci-pro-spravu-kvalifikovaneho-systemu-elektronicke-identifikace.aspx>.

Public administration portal and citizen portal

At the beginning of 2021, the Public Administration Portal will undergo a significant redesign and modification of most of the sections. In this context, a new catalogue of public administration services and information within the Single Digital Gateway for citizens of EU Member States has been published on it. The Citizen Portal will now primarily offer additional services of the Ministry of Transport, namely electronic driving licence applications, access to data from the Vehicle Register, new types of statements and notifications. At the same time, the mobile application of the Citizen's Portal Gov.cz will be established at the end of this year and will be available for Android and iOS.

EGovernment cloud project (part of the Digital Czech Republic and NR Plan)

The goal of the eGovernment cloud (eGC) project is to reduce the overall expenses for acquiring and operating public administration information systems, increase the level of information and data security, and speed up the digital transformation in public administration through better availability of platforms for innovative services.

The flexibility of resources and the rapid availability of cloud-based solutions became apparent during the COVID-19 pandemic (e.g., the move to online learning). The evaluation of offers of providers is currently underway for the purpose of their inclusion in the “Cloud Computing Catalogue”, which will become part of the qualification conditions for the acquisition of cloud services by public authorities. The faster introduction of innovative cloud services in the public administration and thus the acceleration of a new generation of online services with high availability in 24x7 mode, using new electronic identification and a platform for full electronic submissions, is planned for 2021.

Payment gateways in public administration

The Czech Republic (MI) prepared and launched a dynamic purchasing system (DPS) in March 2021, the use of which will enable individual public authorities to submit public procurement for the provision of payment gateway services for the public administration in a simplified mode. The advantage is that the circle of suppliers does not have to be final after the introduction of the DPS, and other suppliers who fulfil the specified criteria can apply at any time during its course. Within the framework of this procurement, the authority will be able to define the payment methods (e.g., payment by card, transfer, SMS payment, etc.) it wants to offer its citizens in its payment gateway, along with other contract criteria. Thus, it is not one central gateway, but multiple gateways competing according to the same template.

Full electronic submission

Ensuring a full electronic submission (FES) is an important priority in the development of eGovernment in the Czech Republic. Work will continue on key methodological documents, recommendations and standards (in legislative, motivational, procedural and technical terms) that will contribute to smoother enforcement and uniformity of the concept of full electronic filing in the public administration of the Czech Republic. At the current time, the work is divided into the definition of components of central eGovernment systems and their local counterparts ensuring the filling of the data centres. The Architectural Pattern of the FES, which will contain the architecture of the entire standard, will be completed in 2021. The documents Specification of New eGovernment Systems and Specification of FES Systems of Public Authorities will also be completed by the end of this year. The MI is negotiating with the MoRD on the possibility to include some modules based on the FES in the parameters of the IROP calls for the next programming period.

Catalogue of services

The launch or further development of the digitalisation of individual services will be a key change. Act No. 12/2020 Coll., on the Right to Digital Services, and on amendments to certain acts, as later amended, sets a deadline of 1.2.2025, by which practically all public administration services should be handled digitally with the authorities. Work will continue on the fulfilment of the Catalogue of

Services in 2021. At the beginning of February 2021, the government approved¹⁴ a digitalisation plan for selected services and their operations. Filling the catalogue of services and creating detailed descriptions for client-initiated services will also take place in 2021. Furthermore, according to the aforementioned resolution, the MI will prepare a digitalisation manual on technical methods for performing the digitalisation of services with the goal of supporting the development of digitalisation in the form of a self-service portal.

Data Box Information System

The further development of the Data Box Information System (DBIS) is planned for 2021, e.g., the **establishment of data boxes for forensic experts, interpreters and translators**. The development of DBIS is influenced by legislative changes in the area of eGovernment. The Senate is currently debating a draft act amending certain acts in connection with the further computerisation of public authority procedures (known as DEPO). The legislative changes resulting from the draft act will have an impact on the enormous increase in the number of data box holders in the coming years (estimated by several million). This change will have a significant impact on digitalisation and communication within, towards and outside the public administration. Data boxes will provide, inter alia, public administration with even greater annual savings (on the order of hundreds of millions) on postage than is the case today. The legislative changes, if adopted in the current wording, will bring the obligation for all natural persons to establish data boxes when using a qualified means of electronic identification for the first time, and for all legal entities and natural persons engaged in business who are registered in the register of entities to establish data boxes. At the current time it is impossible to predict when the changes resulting from DEPO will take effect in light of the ongoing legislative process. Nevertheless, the described changes will require strong technical and organisational security on the part of the administrator of this critical information system (Ministry of the Interior).

Accessibility of public sector websites and mobile apps

On the basis of Act No.99/2019 Coll., on the Accessibility of Websites and Mobile Applications, and on the amendment to Act No.365/2000 Coll., on Public Administration Information Systems, and on amendments to some other acts, as later amended, a methodological guideline on the accessibility of websites and mobile applications has been prepared, which describes the general requirements for the accessibility of websites and mobile applications, including the requirements of the harmonised accessibility standard. In accordance with the 2021 inspection plan, the MI will continue to carry out inspections as to whether the obliged entities comply with the statutory conditions.

An important milestone for 2021 will be the date of 23 June, when the Act on the Accessibility of Websites and Mobile Applications will apply to all mobile applications managed by the obliged entity, regardless of the date of their publication.

In 2021, the MI will also have a new obligation, specifically to report to the European Commission on the results of monitoring the accessibility of websites and mobile apps.

Area of spatial information

Strategy for the development of spatial information infrastructure in the Czech Republic after 2020

¹⁴ Government Resolution No. 84 of 1.2.2021 on the schedule and technical method for the performance of the digitalisation of public administration services for the period of 2021 - 2025.

The Minister of the Interior, in accordance with Government Resolution No. 815 of 8.10.2014, on the Strategy for the Development of Spatial Information Infrastructure in the Czech Republic until 2020, will prepare (in cooperation with other key central state administration bodies) and submit to the Government **by 31.12.2021 a draft Strategy for the Development of Spatial Information Infrastructure in the Czech Republic after 2020.**

Act on the National Spatial Information Infrastructure

By 31.5.2021, the MI will prepare and submit to the Government a draft of the substantive intent of the Act on the National Spatial Information Infrastructure. If approved by the Government of the Czech Republic, the MI will prepare and submit to the Government **a draft Act on the National Spatial Information Infrastructure** with the comments of the Legislative Council of the Government by 31.12.2022.

Project for Building an Information System for Public Services and Public Administration Services INSPIRE (ISSI)

The main objective of the project is to build a central information system covering the territory of the CR in order to fulfil the Czech Republic's obligations in the area of data of Annexe III, Theme 6. Public Services and Public Administration Services of the INSPIRE Directive 2007/2/EC¹⁵. The source of the primary (non-harmonised) data of Annexe III, Theme 6 of the INSPIRE Directive for ISSI will be digital technical maps (DTM) of regions for data on technical infrastructures and thematic departmental data sources, or departmental PAIS (MI, MH, MLSA, MEYS, ME and MD) for other data. The implementation of the project began on 1.10.2019. A working prototype is expected to be delivered by the end of 2021. During the course of 2022, the implementation and pilot operation of ISSI will take place. The project will be completed and ISSI will be launched on 31.12.2022.

Integrated Foreigners' Agenda Information System (ICAS)

In order to digitalise the foreign residence agenda, a **feasibility analysis** of the new ICAS, funded by the EC and implemented under the Structural Reform Support Programme, **was completed** in 2020. In 2021, the project will continue **with the preparation of the architectural design of the information system as a basis for the tender documentation.** The information system itself should be built by 2025. In addition, the Czech Republic is already implementing a project to build an **Information Portal for Foreigners** by the end of 2021 with the inclusion of artificial intelligence and a tutorial environment with the aim of improving the quality and availability of information provided to foreigners, thus simplifying their access to information and their integration as such. The Information Portal for Foreigners should then be the interface for the aforementioned new ICAS.

e-Collection and e-Legislation projects

The implementation of the e-Collection and e-Legislation project, which aims at modernising the legislative process and increasing the accessibility and clarity of the law, will continue. In the area of legislation, the implementation of the electronic legislative process in the Senate Rules of Procedure remains to be resolved at the moment, and a related draft amendment is currently being discussed in the CDP. The completion of the remaining functionalities in the area of the electronic legislative process and the pilot operation of the system are expected in 2021. After the completion of the project

¹⁵ Directive 2007/2/EC of the European Parliament and of the Council establishing an Infrastructure for Spatial Information in the European Community (INSPIRE).

(expected in September 2021), also taking into account the CDP's requirement for 18 months of verification operation, there will be a phase of pilot verification operation until the end of 2022, user training and preparations for the launch of the eCollection and e-Legislation system into live operation. The amendment containing the postponement of the live operation to 1.1.2023 was read as an amendment by the Minister of the Interior to Parliamentary document no. 756 (Government Draft Act amending certain acts in connection with the further computerisation of procedures of public authorities).

Together with this project, an **electronic information system for the Collection of Legal Regulations of Local Government Units and Certain Administrative Authorities** will also be created. This information system will be implemented in accordance with Act No. 35/2021 Coll. of 19.1.2021 on the Collection of Legal Regulations of Local Government Units and Certain Administrative Authorities and will subsequently be integrated into the eCollection.

Electronic communication

The Government-approved National Plan for the Development of Very High-Capacity Networks (VHCN) defines the strategic approach to the construction of these high-capacity networks and specifies the necessary role of the State in achieving VHCN coverage, in particular in securing public support while minimising interference with competition. The importance, quality and scope of the VHCNs will ultimately positively influence the economic growth of the Czech Republic and contribute to increasing the competitiveness of Czech businesses and their sustainability. High-quality and reliable electronic communications networks are also essential for managing emergencies and crises, whether local, regional or national.

Also, the government-approved strategic vision "Implementation and development of 5G networks in the Czech Republic", which deals not only with the importance of 5G networks, but also outlines visions and procedures, including radio spectrum management and the prerequisites for their use for 5G networks with a link to the research and development of the necessary applications and services. Furthermore, this document indicates the necessary prerequisites for the deployment of 5G networks, opportunities for funding certain activities, support for testing new technologies related to 5G networks and, last but not least, the security of 5G networks. The frequencies needed to operate 5G networks have subsequently been allocated.

At present, individual measures are gradually being implemented to remove obstacles to the development of electronic communications networks, which are presented in the Action Plan 2.0 to implement non-subsidy measures to support the planning and construction of electronic communications networks.

In connection with its activities in the field of electronic communications, in February 2020 the Czech Republic put the Broadband Competence Office of the Czech Republic into operation, which is tasked with simplifying the development and facilitation of the processes of building electronic communications infrastructure in the regions, in particular assisting local governments in this matter.

At the same time, the 5G Alliance was launched, which represents a platform aimed at supporting the strategy for the deployment of 5G networks in the various national economic sectors (industry, transport, healthcare, agriculture, environment, security, including IRS, culture and education, etc.) and at developing secondary and tertiary tasks in the field of cybersecurity, the construction of 5G networks in the intracity areas of municipalities and cities, the development of smart cities/municipalities/regions, as well as conceptual solutions to the problems associated with misinformation about 5G networks.

Digitalisation of construction management and spatial planning

The essence of the proposed solution for the digitalisation of construction management (DCM) are individual information systems of VS (functional units that can also function independently). The entire system, consisting of individual components, will be designed so that it can be continuously adapted to the requirements of new legislation and the practical needs of users. The plan is for the individual systems to begin competing so that the information systems are delivered into production use by 1.7.2023.

Realistically, the DCM should simplify the preparation of documents for the initiation of proceedings for builders, ensure the maintenance of an electronic administrative file with all documents and simplify the submission of interactive forms, enable the retrieval of information on the status of proceedings, enable the management of project documentation of buildings in standardised formats (pdf, dwg and BIM) to enable their further use. It will also allow authorised persons to access this structured data for more advanced functions (e.g., to link land-use planning, spatial and infrastructure data with construction and management data to streamline the processes of preparing and permitting construction).

A condition for achieving the DCM is also the introduction of **digital technical maps (DTM)** with complete and up-to-date information on all transport and technical infrastructures throughout the Czech Republic. Therefore, the MRD, in cooperation with the Czech Office of Land Surveying and Cadastre, the MIT, the MI, the Institute of Planning and Development of the City of Prague and other partners, has prepared the necessary concept for the creation of the DTM. The necessary legislation was adopted by Act No. 47/2020 Coll., which obliges all regions to keep a DTM and introduces the obligations of transport and technical infrastructure administrators to submit data for updating the DTM. In April 2020, OP EIC announced a call for subsidies for the creation of DTM. By the end of 2020, the regions prepared feasibility studies in cooperation with the municipalities and submitted projects to the OP EIC for the introduction of DTM in all regions. The implementation of the DTM will then take place under the RRF from 2021 to 2025.

The proposed DCM will lead to the creation of an information system in which builders, designers and authorities will have access on a single portal to information on the progress of the procedure, maps, project documentation and other documents necessary for the preparation and permit of the construction.

Implementation of the Strategy for the Computerisation of Public Procurement for the period of 2016 to 2020

In accordance with the recommendation of the EU Council, the Czech Republic continues to implement measures to increase transparency and efficiency in public procurement. In January 2016, the Government approved the *Strategy for the Computerisation of Public Procurement for the period of 2016-2020, an evaluation of the effectiveness of the function and a proposal for further procedure for the use of electronic public administration marketplaces and a proposal for the mandatory use of the National Electronic Tool (NET)*. The strategy is continuously fulfilled. The Report on the Fulfilment of the Strategy for the Computerisation of Public Procurement is submitted to the Government of the CR every year. In 2019, the Action Plan of the Strategy was updated and adopted by the Government of the CR¹⁶.

¹⁶ <https://portal-vz.cz/vyrocnni-zpravy-a-souhrnne-udaje-o-verejnych-zakazkach/zprava-o-plneni-strategie-elektronizace-vz/>

In 2020, measures are continuously implemented, e.g., monitoring of foreign *best practices* in the field of electronic public procurement including an assessment of the possible implementation of the best solutions into the legislative environment of the Czech Republic; consultancy for contracting authorities and suppliers in the field of eProcurement; development of information systems pursuant to the requirements of users/relevant legislation, public procurement for the overall update of selected information systems (ISVZ, etc.).

A new e-Procurement Strategy for the period of 2021-2025 is currently being prepared, with plans to build on the outputs of the current period (Strategy 2016-2020). The main objectives will include, for example, strengthening the interoperability of individual IS falling under eProcurement with other eGovernment systems of the Czech Republic. The strategy will be submitted to the Government of the Czech Republic during the first quarter of 2021.

Digital transformation in the context of education

The education and professional preparation system are an integral part of the digital transformation and should take advantage of its benefits and opportunities. In the future, there will be an increasingly acute shortage of ICT specialists with advanced digital skills, for example in artificial intelligence or cybersecurity. This problem is already being felt by companies; in 2019, 80% of Czech companies had problems hiring ICT professionals (2nd place in the EU)¹⁷. The education of people and experts in the field of cybersecurity is also accented in the National Cybersecurity Strategy of the Czech Republic. The CR will actively create and maintain a skilled cybersecurity workforce and thus develop its base of educated and motivated people as one of the nation's most valuable resources.

However, advanced digital skills cannot be built without basic digital skills or a digital transformation of the education system. Up to 90% of jobs in all sectors in the future will require some form of digital skills¹⁸. It is clear that the pandemic has highlighted the digital skills gap, not only on the individual level, but also at the school, city and regional level. New inequalities are likely to emerge with the advent of new technologies, so schools should equip their pupils and students with digital skills.

To ensure high quality digital learning, it is important to focus on 3 aspects:

1. internal and external school connectivity, school equipment and IT management,
2. digital competence of teachers and students,
3. quality digital content, curriculum.

These three aspects are interlinked and without their complementarity, it is not possible to ensure a high-quality education in connection to dynamic changes in society.

At the same time, with the dynamic development of digital technologies, it is necessary to focus on the prevention of the “digital gap/divide”. If a pupil does not have sufficient digital competence, access to digital technologies or Internet access, they are at risk of digital exclusion.

As part of the negotiations on the targeting of funds from the Recovery and Resilience Facility, MEYS has prepared two components for the draft National Recovery Plan: *3.1. Innovation in education in the context of digitalisation*, which will help prepare the education system for the suitable and age-

¹⁷ https://ec.europa.eu/education/education-in-the-eu/digital-education-action-plan_en

¹⁸ https://ec.europa.eu/commission/presscorner/detail/sk/IP_18_102

appropriate use of digital technologies in all areas of education so that they become a meaningful part of teaching and support both computational thinking and the digital literacy of the pupils; This component includes, inter alia, the creation of a fund of mobile digital devices for disadvantaged pupils with the goal of preventing the digital divide; 3.2. *Adaptation of the capacity and orientation of school programmes*, which will generally focus on reducing educational inequalities.

Digital reform of tourism performance data collection

In addition to the dramatic economic impacts on tourism, COVID-19 revealed a critical lack of up-to-date statistical data and information on the sector that could be used for the operational planning of support measures. The timeliness and operability of statistical data on tourism performance is a long-term problem. The Czech Statistical Office (CSO) publishes data approximately 5 weeks after the end of each quarter, the tourism satellite account (TSA) is available with a two-year delay (i.e., the data for 2019 were only available in 2021). At the same time, however, it must be stated that the Czech Republic has one of the shortest deadlines in the EU for the TSA, but this does not change the fact that this is not sufficient in terms of the need for operational accurate data for decision-making. There is a lack of accuracy of the data on the numbers of accommodated tourists; it is necessary to have complete information not only for mass accommodation facilities registered by the CSU, but also for individual accommodation facilities (apartments, Airbnb, etc.). At the same time, there is no breakdown of information on foreign visitors to all source countries (instead of the current 55 source markets recorded by the CSO). The pandemic hastened the preparation of the E-tourist project. The main objective of the **reform is to prepare a system for the registration of guests in accommodation facilities (known as E-tourist), applying the experience gained in the EU.**

Other objectives are:

- to reduce the administrative burden for entrepreneurs and state and local government authorities,
- to develop such a system within the legislative conditions for the Czech Republic,
- to digitise the collection and evaluation of information on the stay of persons in the Czech Republic,
- to enable the sharing of relevant information on accommodated persons between state and local government authorities,
- the better handling and collection of data in cooperation with the private sector - pilot testing of the system's functionality in cooperation with regions and entrepreneurs,
- to streamline the collection of the accommodation fee,
- to ensure up-to-date and accurate data on the movement of tourists within the CR for the needs of destination management organisations, the Czech Statistical Office, CzechTourism, etc.,
- to increase the validity of tourism statistics.

The central online registry, which will be created within the implementation of the E-tourist project, will also contribute significantly to the development of the digitalisation of administrative tasks (registration, collection, evaluation, sharing, etc.) related to tourist management. Having access to up-to-date and accurate data can also reduce the cost of collecting information on the number of arrivals

and overnight stays. The investment can then focus more on the qualitative research of the consumer behaviour of tourists and thus better adapt the focus of tourist services. A condition for the implementation is to ensure the corresponding legislative regulation. This area will primarily be discussed and addressed by the MoRD in cooperation with other ministries/managers of the relevant legislation standards and areas of competence. The implementation of other projects focusing on tourism reform, or their inclusion in the National Recovery Plan, is under negotiation.

Schedule of the e-Tourist project

The project's expected implementation dates are 2020-2024.

1. Preparatory phase: 06/2020–06/2021
2. Legislative reform: 06/2021–12/2022
3. Creation of a central registry - technical solution: 01/2021–06/2022
4. Pilot phase: 01/2022–12/2023
5. Full operations: 01/2024 onwards

Cybersecurity of digital transformation projects

Cross-cutting activities common to all digital transformation projects are an emphasis on user-friendliness, accessibility and, in particular, on ensuring cybersecurity. Thus, all projects must comply with the National Cybersecurity Strategy of the Czech Republic from the very beginning of construction. Operations must maintain a high level of security against cyber threats. The completion of the digital infrastructure aims to ensure, among other things, the mutual compatibility of technologies used in the individual public administration sectors.

3.2 Physical infrastructure and green transition

Transport infrastructure

The main challenge in this area is primarily the completion of the backbone transport infrastructure connecting the remaining regions and the main industrial centres to the main Czech and European routes. The government declares that this is one of the key prerequisites for sustainable economic growth and improving the competitiveness of the Czech economy.

Act on Accelerating the Construction of Transport and other Infrastructure

Act No. 403/2020 Coll., amending Act No. 416/2009 Coll., on Accelerating the Construction of Transport, Water and Energy Infrastructures and the Electronic Communications Infrastructure, as later amended, was approved by the Parliament of the Czech Republic on 13.10.2020 with effect from 1.1.2021. The President signed the amendment and it was published in the Collection of Acts (No. 163/2020). This Act, which turns the Construction Acceleration Act into a linear law, should bring, among other things, major improvements in the area of **permits and property preparation for construction**. In addition to the Ministry of Transport, the co-owners of the Act are also the MIT and MoRD. In particular, the goal is to enable the permits of transport construction in a joint procedure with a lower degree of documentation detail and to revise the obligations of the builder in terms of the legal requirements.

Effective strategic planning and its implementation

On 8.3.2021, the **Transportation Policy of the CR for the period of 2021 – 2027 with a view to the year 2050** was approved. The basic strategic documents are then followed by sub-concepts that elaborate on the solutions and the method of securing and financing the individual areas.

At the beginning of 2021, a concession contract for a PPP pilot project for the completion and long-term operation of the D4 motorway in its missing section **was signed** by the Government with subsequent discussion in the CDP and with the assumption of the start of construction in spring 2021.

The harmonisation of conditions on the transport market, the development of rail and water transport, the improvement of the quality of road transport, the promotion of multimodal transport systems, the stabilisation of public transport financing and the creation of infrastructure for alternative fuels (CNG, LNG, hydrogen and electricity) are continuous priorities. In this context, it is worth recalling the subsidy Operational Programme Transport (OP T) to support the construction of recharging and hydrogen/LNG filling stations for road transport. The programme currently supports the construction of 500 fast charging stations, nearly 800 conventional charging stations, 18 LNG filling stations and 7 hydrogen filling stations¹⁹. The **update of the National Action Plan for Clean Mobility (NAP CM)**, which was approved by the Czech Government in April 2020, assumes that support for the development of infrastructure for alternative fuels will continue in the coming years in order to fulfil the relevant strategic objectives of this document, both in terms of the number of vehicles using individual types of alternative fuels and the number of relevant types of charging or refuelling stations by 2030. Thus, the plan is to allocate at least CZK 4 billion for this area in the next programming period within EU funds from OP T.

¹⁹ These projects should be completed by the end of 2022.

Regarding **urban mobility**, in January 2021, the Government approved the *Urban and Active Mobility Concept 2021-2030*, which is a reworking of the transport policy at the local government level and a methodological tool for cities of different categories to develop their Sustainable Urban Mobility Plans (SUMP). In 2019, all cities over 50,000 inhabitants have prepared the 1st generation of SUMP or their simplified version as part of the Sustainable Urban Mobility Framework (SUMF, which is the first stage of the Sustainable Urban Mobility Plan according to the current *Methodology for the Preparation of Sustainable Urban Mobility Plans of the Czech Republic*). On the basis of **these plans, support for urban projects contributing to sustainable mobility will be continued**, for example by supporting public mass transport infrastructure projects in electric traction. The Concept includes the significant support and creation of conditions for active (cycling and walking) transport (supported by the State Fund for Transport Infrastructure and IROP). Supporting the **renewal of the vehicle fleet** is an integral part of improving the quality in transport and reducing the environmental impact of transport. Particular attention will be paid to the renewal of the vehicle fleet for public passenger transport services (rail vehicles and public mass transport vehicles with electric traction, including technical facilities). In freight transport, support for the acquisition of transport units and transshipment facilities for intermodal transport will be important.

Priority projects in the construction of infrastructure

In the area of **railway infrastructure**, the main priority is the completion of transit railway corridors including railway junctions (by 2025) and the modernisation of other lines on the main and global network of the Trans-European Transport Network (TEN-T). However, the modernisation of lines outside of TEN-T providing connections to important industrial zones or lines important for suburban transport is also essential. The feasibility study for the **high-speed Prague - Ústí n/L - Dresden connection**²⁰ was completed in 2020 and the feasibility study for the high-speed Prague - Brno - Breclav line should be completed in 2021. During 2019, the feasibility study of the Brno - Přerov - Ostrava line was started, with the expected completion in the first half of 2021, and during 2021, the feasibility study of the Prague - state border Czech Republic/PL - (Wrocław) line is expected to be started in connection with the Polish side. In 2018, **pilot sections of high-speed lines (HSR)** with an accelerated project preparation regime were selected. French SNCF technical standards were adopted for the preparation of the HSR. Cooperation with the V4 countries is also expected to continue in the coming years. The implementation of the pilot sections is expected to start in 2025 - 2028 at the earliest, therefore increased attention should be paid in parallel to the further development of the conventional rail network. The feasibility study for the modernisation of the Prague railway junction is expected to be prepared during the course of the years 2021 to 2023.

In the field of **road transport**, the following structures will be operational in 2021. These are the implementation of the last five sections of the D1 motorway modernisation, the sections D6 Lubenec - bypass, D7 Panenský Týnec, the capacity increase of the bypass, D55 Otrokovice, south-east bypass, then two sections of the D11 from Hradec Králové to Jaroměř and D35 Opatovice - Časy where the first section of this motorway between Hradec Králové and Mohelnice will be put into operation. In 2021, the implementation of the motorway bypass of České Budějovice on D3 will continue, while the start of further construction on D6 (Krupá, relocation), sections on D48 and a section on the D56 motorway connecting this motorway with the D48 motorway are expected to start. At the same time, the construction will continue on sections of the newly built D35 motorway, to D55 and to D7. At least 10 new motorway sections are expected to be launched in 2021 (continuation of

²⁰ In connection with the preparation of the Prague - Ústí nad Labem - Dresden feasibility study, intensive international cooperation on the preparation of the cross-border section is underway and a territorial and technical study is being prepared to address the possibility of connecting Václav Havel Airport to this route.

D3 from České Budějovice to the state border, sections of D4 in the form of PPP, a section of D7 near Chlumčany and the Staré Město - Moravský Písek section on D55). At the same time, project preparation is underway on all uncommenced sections of the planned motorway network. The completion of the currently monitored motorway network is planned for around 2030.

Regarding **waterways**, a project to increase the parameters of the Vltava waterway is currently underway, co-financed by the CEF. The main objective is to improve the navigability of the Vltava River. A feasibility study on the Danube-Oder-Labe water corridor was completed in 2019, and the Government noted the study's conclusions in 2020. It is recommended to further monitor the preparation of the connection of the Ostrava agglomeration to the European network of waterways and to prepare documents for the evaluation of the environmental feasibility of the Danube-Odra-Labe project.

Green transport transition

The vision of the transport system of the Czech Republic in the long term assumes that the Czech Republic and its individual regions will be equipped with a transport system that will satisfy the requirements of transport needs in both passenger and freight transport, will support sustainable economic development, as well as an inclusive policy directed at structurally disadvantaged regions and their inhabitants. This transport system will also fulfil the requirements of sustainability, which means that it will be neutral in terms of its impact on the global climate and environmental changes (mitigation and adaptation), will have the least impact on public health, will have a minimal impact on biodiversity, nature and the landscape, and will use natural resources in a balanced way on the basis of renewability so as not to increase the debt to future generations.

This vision will be achieved through the following three successive steps and follow-up measures:

1. Such measures will be sought to save the transport of people and goods so that transport needs are minimised without affecting economic development (optimisation of transport needs). This will involve putting the results of applied research into practice and using modern technologies, leading to the improvement of spatial planning, especially in cities, and supporting the restructuring of the economy towards higher added value.
2. A transport system that fulfils the above vision must be based on a multimodal approach that takes advantage of the different modes of transport and be based on interdisciplinary cooperation. In the case of concentrated (heavy and regular) transport flows, it is necessary to make greater use of more energy-efficient modes of transport supported by a high-quality transport infrastructure built for this purpose, including energy and information superstructure, since especially in this way it is possible to significantly reduce specific energy consumption (kWh/oskm, kWh/tkm) and also carbon dioxide production (kg/oskm, kg/tkm).
3. The different modes of transport must be developed with regard to the necessary accessibility of the individual regions, with regard to transport needs and with regard to reducing environmental impacts. The prerequisite is a high-quality transport infrastructure and means of transport equipped with modern technologies for sharing information and data on transport, and the conditions for energy efficiency and minimisation of emissions within the individual modes of transport must be fulfilled. It is necessary to closely link the transport system with the energy system; energy in transport must be assessed as a whole, the use of fossil fuels must be minimised, both for climate protection and for the protection of the environment and the health of the population.

Supporting clean mobility

In the area of clean mobility, one of the priorities is to support the development of **infrastructure for alternative fuels** (CNG, LNG, hydrogen and electricity). The Czech Republic strives to reduce emissions in transport through measures specified in the National Action Plan for Clean Mobility, which was created in 2015 based on the requirements of Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of infrastructure for alternative fuels, and updated in 2020. At the same time, it supports the transformation of the automotive industry in the context of the transition to low- and zero-emission mobility in accordance with the Memorandum on the Future of the Automotive Industry and the Action Plan.

In addition to the aforementioned OP T, in the period of 2014-2020, funds were provided to support clean mobility from OP EIC for the **purchase of electric vehicles and the construction of charging stations** for entrepreneurs in the amount of CZK 0.6 billion (according to approved projects for more than 1300 electric vehicles and more than 200 charging stations), from IROP for alternative fuel vehicles for public transport in the amount of CZK 8.4 billion (approved projects for approx. 1136 vehicles; 79 electric buses, 156 trolleybuses, 39 trams and 511 CNG buses purchased by 31.10.2020) and from the **National Environmental Programme** (NEP) with an allocation of CZK 0.4 billion (approved projects for approx. 800 vehicles, of which 3/4 are electric vehicles). The OP Prague Growth Pole also contributed to the promotion of clean mobility, under which the purchase of 15 battery-operated trolleybuses and 14 electric buses will be implemented. Call no. 43 - the purchase of fully emission-free electric buses with static and dynamic charging and building charging infrastructure for electric buses - with an allocation of EUR 340 million was concluded and the supplier of electric buses was selected.

In the context of the support of **low-emission vehicles** (EVs and PHEVs), a limit of 50 g CO₂/km will be applied to passenger cars. This limit is based on Directive 2019/1161 of the European Parliament and of the Council amending Directive 2009/33/EC on the promotion of clean and energy-efficient road transport vehicles, which sets a mandatory share of low- and zero-emission vehicles purchased by contracting authorities. The promotion of CNG/LNG vehicles is very important in order to fulfil the mandatory target of a 14% share of energy in transport from renewable sources by 2030, which the Czech Republic will meet mainly by consuming bio CNG. For the entire EU fleet, emission limits of 95 grams of CO₂ per kilometre for passenger cars and 147 g CO₂/km for lorries are now in place since 2020 for both conventional and CNG/LNG vehicles.

The Czech Republic supports **reducing emissions in a technology-neutral manner**. The implementation of these priorities will also continue in 2021. Government Resolution No. 469 of 27.4.2020 approved the Update of the National Action Plan for Clean Mobility. It sets out 65 measures for the support of clean mobility. It is estimated that by 2030 there will be 19 to 35 thousand charging points, 350 - 400 CNG filling stations, 30 LNG filling stations and 80 hydrogen filling stations in operation in the Czech Republic. After 2020, support for the construction of the charging and filling infrastructure and the acquisition of alternative fuel vehicles is expected from the Operational Programme Technologies and Applications for Competitiveness (OP TAC), OP T, IROP, the Modernisation Fund, JTF, NGS and the National Recovery Plan.

The component "Development of Clean Mobility" with an allocation of approximately CZK 2.034 billion is proposed as part of the forthcoming National Recovery Plan. It is expected that this could support the construction of 2880 non-public charging points in residential buildings, 1940 non-public charging points for businesses, the acquisition of 3625 electric vehicles, 30 hydrogen passenger vehicles and 1000 cargo e-bikes for businesses, and 1485 alternative fuel vehicles for municipalities,

regions and the state administration. Unfortunately, the RRF regulation does not allow the full support of the use of other alternative fuels such as LNG, CNG and bioCNG.

From 2020, the NGS programme also supports the construction of charging stations in residential buildings.

Energy efficiency

Final energy consumption has seen a decline, falling below the Czech Republic's target of 1060 PJ in 2019. It can thus be assumed that in 2020, the final energy consumption will reach the value predicted in the National Energy Efficiency Action Plan (the Czech Republic's contribution to the EU target under Article 3 of Directive 2012/27/EU on energy efficiency), not only due to the effects of the pandemic, but also by implementing energy-saving measures. An analysis of energy consumption shows a positive trend in some sectors. The energy intensity of households per dwelling unit recorded a year-on-year decline in 2018, although energy consumption in the household sector has long been affected by an increase in the number of new dwelling units and a decrease in the number of persons living in one dwelling unit. The ratio of energy consumption to industrial output in the service and industrial sectors has been declining over the long term. The transport sector remains the most problematic sector from the perspective of absolute energy consumption, as it is experiencing a long-term increase in consumption and will be the focus of the Czech Republic in the next programming period. The Czech Republic is failing to fulfil its obligations under Article 7 of Directive 2012/27/EU on energy efficiency.

In the **legislative area**, Decree No. 264/2020 Coll. was approved in 2020, replacing Decree No. 78/2013 Coll. on the Energy Performance of Buildings, as amended. This decree tightens the requirements for near-zero energy buildings from 2022 and clarifies the methodology for calculating the energy performance of buildings. It also responds to some aspects of newly adopted EU legislation, namely Directive (EU) 2018/844 of the European Parliament and of the Council amending Directive 2010/31/EU on the energy performance of buildings and Directive 2012/27/EU on energy efficiency. In 2021, work will be carried out to amend Act No 406/2000 Coll. to enable more efficient handling of data in the database of records of activities carried out by energy specialists (ENEX) with the goal of facilitating the better implementation of existing tools. The amendment to the act will also introduce new tools to optimise energy management in the energy economy.

In the **area of strategies**, a key document, the *Long-Term Renovation Strategy to Support the Renovation of the National Stock of both public and private residential and non-residential buildings*, was completed as required by Directive 2018/844, amending Directive 2010/31/EU on the energy performance of buildings and Directive 2012/27/EU on energy efficiency. The Strategy focuses on setting policies and measures to support the cost-effective and large-scale renovation of the building stock that will lead to a significant reduction in energy consumption or decarbonisation of the building stock across sectors by 2050. This document thus aims not only to increase the number of renovations, but also to improve their quality and complexity. Various tools are intended to contribute to these objectives, such as raising public awareness (information campaigns), fiscal tools (subsidy scheme: loans and grants) and legislative tools (professional training in the construction sector). Some of the measures resulting from the aforementioned strategy have already been implemented and others are planned for 2021.

In the **area of fiscal instruments** to support the implementation of energy-saving measures from operational programmes, the volume of funds provided was reduced or reallocated from areas supporting energy efficiency. This was the case, among others, for the OP Env and OP EIC

programmes. Despite this, and thanks to measures taken in 2019 to support the drawing of subsidies (in particular administrative simplifications), calls targeting energy efficiency have seen a higher number of applications. In 2021, it is expected that programmes will be set up for the new programming period as part of the cohesion policy and new programmes financed from new financial sources (Modernisation Fund, RRF). At the same time, it is necessary to ensure sufficient funding for important national programmes focusing on energy efficiency, such as the upcoming successor programme **New Green Savings**²¹, which is one of the most important instruments available to the Czech Republic for the residential sector. In the period 2021-2023, it is expected to be financed from RRF funds under component 2.5 of the NR Plan in the amount of CZK 19 billion, and then from 2024 onwards by a statutory share of the proceeds from the sale of emission allowances. The **EFEKT programme** has long focused on supporting the implementation of investment and non-investment measures. EFEKT II, currently underway, is an important instrument that emphasises soft measures aimed at raising awareness of the benefits of energy savings, providing energy advice, supporting the implementation of *Energy Performance Contracting* (EPC) projects and introducing energy management. In 2021, the programme will be terminated and the successor programme EFEKT III will be developed for the period of 2022-2026.

In 2020, a new tool was implemented to increase energy efficiency: **voluntary agreements**. Voluntary agreements are one of the measures of the current scheme for achieving the objective under Article 7 of Directive 2012/27/EU on energy efficiency. In 2020, by signing voluntary agreements, third parties started to participate on a voluntary basis in improving the energy efficiency of the national economy. By signing the agreement, ČD CARGO confirmed its involvement, followed by CEZ Group. In 2021, voluntary agreements were signed with Innogy Czech Republic, E.ON Energie, E.GD and GasNet. Discussions with other subjects across sectors will continue in 2021.

Renewable energy sources (RES)

In the field of **RES**, the Czech Republic aims to increase the share of clean energy use. Since 2013, the Czech Republic has been fulfilling the national target of at least 13% of gross final energy consumption. In 2018, this share increased to 15.15%.

The basic outlines of the **further development of RES**, including the rights to financing and the structure of available resources, are presented in the *National Energy and Climate Plan of the Czech Republic until 2030*. In the coming period, investments in low-carbon technologies and related infrastructure and energy efficiency are set to form the most significant part of the allocation from EU funds. In addition, the Czech Republic is planning to use funds from the “Modernisation Fund” for the development of RES, increasing energy efficiency and reducing greenhouse gas emissions. In the housing sector, the use of RES will be promoted under the NGS 2030 programme, which will be funded by the RRF under component 2.5 of the NR Plan in the period 2021-2023

²¹ According to the proposal of the ME, support should be provided for:

- energy-saving measures in family houses and blocks of flats (insulation, replacement of door and window openings);
- the replacement of inadequate heat sources, the use and installation of RES (PV plants including energy storage);
- passive construction and support for the purchase of houses and flats;
- climate change adaptation and mitigation measures;
- support for smart charging stations for electric vehicles in blocks of flats and family houses + bonus for combination with PV energy;
- non-investment measures related to increasing energy efficiency and the use of RES in the housing sector.

This is a brief proposal of the ME on the supported areas, which will be subject to a wider discussion and inter-ministerial comment procedure.

In the field of RES, a target for the share of renewable resources on the gross final energy consumption of 32% by 2030 was agreed on the EU level in 2018. The reworked version of Directive 2018/2001 on the promotion of the use of energy from renewable sources also includes requirements for sub-targets in the heating and cooling sector and the transport sector. The Czech Republic proposes a contribution of 22% to the EU target by 2030, which represents an increase of 9 percentage points compared to the Czech national target of 13% for 2020, and a 1% year-on-year increase in the heating and cooling sector. In the area of transport, the binding target is set at 14% for all Member States. The main policies for the implementation of the proposed contribution include the maximum use of investment subsidies, operational support for designated types of RES and simplified permit processes for the construction and operation of the respective RES power plants.

Minerals and secondary raw materials

The **transition to a circular economy** in industrial production is realistic under the condition of the sustainable use of resources. This can be achieved by reducing the material intensity of production and replacing primary natural resources with secondary raw materials. The new tasks specified in the updated *Secondary Raw Materials Policy of the Czech Republic for the period 2019-2022* are intended to contribute to increasing the rate of the cyclical use of materials²². According to the latest available EUROSTAT data for 2019, the Czech Republic achieved a level of 8.3%, an improvement of 0.3 percentage points compared to the previous year (2018).

For the next period, the Czech Republic is preparing investment support for the transition of the business sector to the circular economy through the **National Recovery Plan**, where the topic of the circular economy is implemented in component **2.7 Circular Economy and Recycling and Industrial Water**. The estimated volume of funds meant for the support programme for business entities focused on circular solutions and water conservation is proposed at the level of approximately CZK 2 billion. The total allocation of funds in the NR Plan for the planned investments in component *2.7 Circular Economy, Recycling and Industrial Water* amounts to CZK 4.4 billion ("see chapter 1. Component Description, Estimated Costs").

In the 2021-2027 programming period, the OP TAC will also support the transition to a circular economy and the efficient use of resources. In particular, this will include activities aimed at preventing waste generation on all levels, increasing waste recycling and reuse, substantially reducing landfills, increasing the use of secondary raw materials as a substitute for primary resources, introducing innovative technologies in the efficient use of primary raw materials and the extraction, processing and use of secondary raw materials.

Common Agricultural Policy

The year 2021 will be the first of a **two-year transition period**, during which discussions on the future shape of the Common Agricultural Policy (CAP) will continue at a national level and at EU institutions. The objective of the EU negotiations will be to reach an agreement as soon as possible in the negotiations on the new CAP through trialogues between the EU Council, the European Parliament (EP) and the EC²³. Given the fact that the positions of the Council and the EP diverge significantly on

²² This quantifies the share of the consumption of recycled and secondary materials in the total consumption of materials. The data are compiled by EUROSTAT on the basis of data received from the individual Member States, which is why the data are published with a significant time lag:

https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=cei_srm030&plugin=1

²³ The EU Council adopted its general approach at the Agriculture Ministers' meeting on 19-21.10.2020 and the EP adopted its negotiating position on 23.10.2020.

a number of important aspects, it can be expected that these inter-institutional negotiations will be very complicated. For the moment, the optimistic scenario assumes that agreement on the new CAP could be reached by mid-2021 to allow Member States sufficient time to develop their national CAP strategic plans. In the context of the development of the negotiations, the Czech Republic will continue to work on the relevant programming framework, which is the *CAP Strategic Plan for the period 2021-2027*.

The CAP is one of the **main priority areas of the Czech Republic** and should continue to be a strong common, though modernised and simplified, policy that will continue to be able to meet its objectives and face new challenges. The key themes for negotiations for the Czech Republic remain securing sufficient sources of funding, efforts to promote voluntariness in the issues of capping and the application of the institute of real/active farmer, efforts to maintain the existing financial envelope for the support of sensitive commodities, as well as the effective and simple setting of the “green architecture/ecosystems”, which have been significantly influenced by the EGD and its follow-up *Farm to Fork*²⁴ strategy and the EU Biodiversity Strategy 2030.

In the context of *Farm to fork*, the priorities (including in the context of the experience of the current pandemic) include maintaining food self-sufficiency. Self-sufficiency needs to be seen in a more holistic way, it is essential to have a sufficiently robust whole sector including producers, processors, a trading network and aware consumers who prefer domestic production. In today's globalised era, it is necessary to consider realistic production possibilities, while taking into account the climatic and economic possibilities of the producer. Restrictions in relation to measures against the spread of COVID-19 can currently be counted as an additional challenge, and there have been unplanned restrictions on the free movement of people and, to some extent, goods, which previously could have been expected to be extremely unlikely. It will be necessary to react adequately to all these challenges on the level of the entire EU. **In this context, using modern technologies**, we will support entrepreneurs, especially SMEs, focusing on satisfying the demand in their region, along the entire food chain, including production, transport, distribution, marketing and the consumption of food, with the use of modern technologies. Such an approach will reduce disparities in the standard of living in some regions and in rural areas in general.

Support under the CAP 2021-2027 will continue to be drawn from the European Agricultural Guarantee Fund - Direct Payments and the European Agricultural Fund for Rural Development - Rural Development Programme 2021-2027. From 1.1.2021, the condition of the GAEC 7d standard will now apply to parts of land blocks with the type of agricultural crop standard arable land, whereby a continuous area of one crop is cultivated on a maximum area of 30 ha. Applications for direct payments and certain measures under the RDP will be received via a “single application”. In 2021 and 2022, until the new CAP Strategic Plan for the period 2021-2027 is in force, Pillar II of the CAP will be provided through the extended RDP 2014 - 2020. This is thanks to the transfer of the allocation for 2021 and 2022 to the financial budget for the RDP. The budget of the two years mentioned above will also be reinforced by the NGEU budget. The Common Agricultural Policy will also take into account related measures from the National Emission Reduction Programme (in particular the promotion of grazing and the tightening of obligations to apply manure).

²⁴ Communication from the Commission on a Farm to Consumer Strategy for Fair, Healthy and Organic Food Systems, 20.5.2020, COM (2020) 381 final, hereafter *Farm to Fork*.

Act on Food Products and significant market power

In connection with the implementation of European legislation, a proposal is being prepared to amend national legislation in the area of unfair commercial practices and official controls. In the case of the transposition of the Directive on unfair commercial practices between undertakings in the agricultural and food chains, an amendment to Act No. 395/2009 Coll., on Significant Market Power in the Sale of Agricultural and Food Products and Abuse, as later amended, has been submitted to the legislative process, which will specify the basic concepts related to the annual turnover limit of the buyer, further regulate the basic elements of the contract between the supplier and the buyer, expand the catalogue of prohibited practices at the buyer and regulate the competence of the Office for the Protection of Competition. In addition to transposing the Directive, the proposal also aims to address the issue of the dual quality of food products. Furthermore, Act No. 174/2021 Coll., which amends Act No. 110/1997 Coll., on Food and Tobacco Products and on Amendments and Additions to Certain Related Acts, as later amended, and other related acts, which contains new legislation on official controls, entered into force. At the same time, this amendment to the Food and Tobacco Products Act, beyond the adaptation of the Regulation (EU) on official controls, also regulates the prohibition of the dual quality of food products, clarifies the concept of "Czech food products" and sets conditions for producers for voluntary labelling on packaging.

Veterinary legislation

On 21.4.2021, a comprehensive legislative package linked to Regulation (EU) 2016/429 – the *Animal Health Act* came into force. In addition to its implementation into the Czech legal system in the form of the currently-discussed amendment to Act No. 166/1999 Coll., on Veterinary Care, and on amendments to certain related acts (the Veterinary Act), as later amended, and related implementing regulations, this will mean a number of changes in practice, especially for animal breeders, but also for other subjects associated with the veterinary aspects of animal breeding, the production and processing of products of animal origin, as well as transport or trade with them.

At the same time, during 2021, work will be underway on a similar legislative package linked to Regulation (EU) 2019/6 on veterinary medicinal products, as well as Regulation (EU) 2019/4 on medicated feed, both with effect from 28.1.2022. Regulation (EU) 2019/6, which will be gradually followed by 25 implementing regulations, primarily requires implementation with the need to amend Act No. 378/2007 Coll., on Medicinal Products, and on amendments to certain related acts (the Medicinal Products Act), as later amended, (in the passages dedicated to veterinary medicinal products) and related implementing regulations. This legislation will, inter alia, make an important contribution to the highly topical fight against microbial resistance to antimicrobials and is also significantly reflected in the *Farm to Fork* objectives.

EGD and *Farm to Fork* strategies

Building on the EGD and the *Farm to Fork* strategy, a new initiative will be launched on the European level in 2021 in the areas of pesticides, fertilisers, food security, the resistance of microbes to antimicrobials, animal welfare, sustainability of agricultural and food production and organic farming, which will lead to the preparation and adoption of new legislation in these areas in the following period. Resolving food loss and waste is of crucial importance to achieving sustainable agricultural and food production. Reducing food waste will generate savings for consumers and operators, and there is an important social dimension to obtaining and redistributing surplus food that would otherwise be wasted. It is also consistent with policies in the area of the recovery of nutrients and secondary raw materials, feed production, food safety, biodiversity, bioeconomics, waste management

and renewable energy. The Commission intends to cut per capita food waste in half on the retailer and consumer levels by 2030. Since 2017, supermarket chains in Central Europe have been taking part in an initiative to prevent food waste by including seemingly imperfect fruit and vegetables in their sales. Since 2018, shops with a sales area of over 400 m² have been obliged to donate unsellable but still safe food to charity.

With regard to food labelling, the EC is due to propose mandatory nutrition labelling on the front of food packaging and is also looking to focus on developing a framework for sustainability labelling that, together with other relevant initiatives, will regulate the nutritional, climate, environmental and social aspects of food products. In relation to nutrition labelling, the Czech Republic prefers a voluntary, non-discriminatory labelling system that does not use colour coding and does not simply evaluate the food as a whole, which could result in the division of food into healthy and less healthy.

Reform of state forest and hunting administration bodies

In accordance with the *State Forestry Policy*, approved by the Government and prepared by the Ministry of Agriculture (MAG), an increase in the efficiency of the public administration in the forestry sector is being prepared. It seeks to define the requirements for the functioning of this administration. The current state of the measures is such that the document *State Forestry Policy Concept until 2035* was approved by Government Resolution No. 116 of 17.2.2020. The reform of the state administration of forests and hunting is part of the *Application Document* for the Concept, which was noted by the Government on 25.1.2021. The objective of the reform prepared by the MAG is to remove the state forest administration and the state hunting administration from the general system of state administration and to create a special state administration, a "forestry office", outside the structure of the combined model of public administration with an emphasis on advisory and educational activities of the state administration.

Biodiversity

In 2020, the European Commission published the **EU Biodiversity Strategy for 2030**. Its objective is to integrate the issue of biodiversity as an integral part of the EU's overall economic growth strategy. It addresses key drivers of biodiversity loss, such as unsustainable land and sea use, the overexploitation of natural resources, pollution and invasive non-native species. It proposes, inter alia, to set binding objectives aimed at restoring damaged ecosystems and rivers, improving the status of protected habitats and species in the EU, returning pollinators to farmland, reducing pollution, greener cities, expanding organic farming and other biodiversity-friendly agricultural practices, and improving the health of Europe's forests.

On the national level, the **Biodiversity Strategy of the Czech Republic for the period of 2016-2025** is the basic conceptual document defining priorities in the field of conservation and the sustainable use of biodiversity in the Czech Republic. It takes into account international commitments, builds on measures defined in the State Environmental Policy and is also linked to other conceptual documents across sectors. The main objective of the strategy is to prevent the continued overall loss of biodiversity in the Czech Republic, while implementing measures and activities that will lead to the improvement of its status and long-term sustainable use. On 19.4.2021, the Government took note of the mid-term evaluation of the Strategy and the remedial actions to be implemented.

The strategic objectives are primarily implemented in the Czech Republic through the updated **State Programme for Nature and Landscape Protection of the Czech Republic 2020-2025**.

Climate protection and adaptation to its change

The **evaluation of the implementation of the *Climate Protection Policy in the Czech Republic (the Policy)*** will be completed and submitted to the Government in 2021. On the basis of this evaluation, an update to the *Policy* will then be submitted to the Government by the end of 2023, which should reflect the adopted goal of achieving EU climate neutrality by 2050 and an increase in the EU's GHG reduction ambition by 2030.

The finalisation and launch of the support from the **Modernisation Fund** will take place in 2021. The funds will be used between 2021 and 2030 and are expected to deliver savings of 18 million tonnes of CO₂ emissions and energy savings of 85 PJ per year, as well as a reduction in pollutant emissions (5 kt NO_x). The modernisation fund is mainly directed towards changing the fuel base in the heating sector, the construction of new renewable energy sources and measures in EU ETS installations aimed at energy savings and reducing greenhouse gas emissions. According to the law, approximately 58% of the Modernisation Fund will be prioritised for electricity producers in the EU ETS. It will also support clean mobility and energy savings in the public sector (public lighting, state buildings). The last segment to be supported will be the promotion of energy communities through community energy. The Modernisation Fund is a complementary instrument to other subsidy titles, so some calls (e.g., clean mobility programmes) will only be launched after the relevant operational programmes have been exhausted.

The energy reconstruction of family houses and blocks of flats, construction of passive family houses and blocks of flats, replacement of non-compliant heat sources and use of RES in these buildings, adaptation of the housing sector to climate change, non-investment measures related to increasing energy efficiency and use of RES in the housing sector and installation of smart charging stations for electric vehicles in houses and blocks of flats will be supported in the period of 2021-2030 under the NGS 2030 programme. In the period of 2021-2023, this programme will be financed by the RRF under component 2.5 of the NR Plan and should bring savings of about 8.4 PJ/year and emission reductions of 1.4 Mt CO₂/year. From 2024 onwards, the programme is to be financed by a statutory share of the proceeds from the sale of emission allowances.

In 2021, the **fulfilment of the *National Action Plan for Adaptation to Climate Change*** (NAP Adaptation), which is the implementation document of the *Strategy for Adaptation to Climate Change in the Czech Republic*, will continue. The aforementioned strategy and action plan create a national framework for climate change adaptation measures to reduce the risks and negative impacts of climate change in the Czech Republic. Given the intensifying manifestations of climate change and the expanded knowledge and data base, work is underway to update both documents so that they can be submitted to the government for approval in mid-2021. Adaptation measures are financially supported from European funds through the Operational Programme Environment (OP Env), Rural Development Programme (RDP), LIFE programme, etc., and also from national programmes, e.g., the Landscape Natural Function Restoration Programme (POPFK), Landscape Management Programme (LMP) and NEP.

As part of the OP TAC, support will focus on adaptation to climate change through improving water management, thus reflecting the need to protect against the impacts of drought. Primarily, the activities will be aimed at optimising water consumption within the production process itself, direct water recycling in water-intensive industries, reuse of polluted/used process water and optimising water use in the service operations of companies.

Transition of coal regions

Just Transition Fund - the preparation of the Operational Programme Just Transition (OP JT) will be underway during 2021. The Ministry of the Environment (ME), by decision of the Government of the Czech Republic, will act as the managing authority. Three types of projects are considered in OP JT, both thematic calls as in OP Env and strategic projects. The programme will take into account Annex D (investment guidelines). The support will be aimed at addressing the impacts of the shift away from coal in the Karlovy Vary, Moravian-Silesian and Ústí nad Labem regions. During the first half of 2021, the Just Territorial Transition Plan should be finalised and the preparation of the given operational programme completed. The subsequent support is expected to start in 2022.

The JTF is part of the **Just Transition Mechanism**, which includes two other pillars - Pillar II InvestEU and Pillar III European Investment Bank (EIB) Financial Facilities. These two pillars represent support in the form of financial instruments for businesses and their projects under InvestEU and for primarily public administration projects under EIB Financial Instruments. Within the framework of the preparation of the area, active long-term communication with EIB representatives is ongoing. All these three pillars should be interlinked within the framework of the forthcoming *Territorial Just Transition Plan*.

Circular economy and waste management

The **new waste legislation** (the new Waste Act No. 541/2020 Coll., the End-of-Life Products Act No. 542/2020 Coll. and the amendment to the Packaging Act No. 545/2020 Coll.) came into force on 1.1.2021 and fundamentally supports the transition to a circular economy and reflects all the binding objectives resulting from the adopted European legislation. At the same time, the implementation legislation for the new acts and the update of the *Waste Management Plan of the Czech Republic for the period 2015-2024* are being prepared. Due to the delay in the preparation of new legislation, the timetable for the preparation of the Waste Management Plan of the Czech Republic has been postponed - the submission of the amendment to the Regulation on the Waste Management Plan of the Czech Republic for approval by the Government is expected in October 2021.

In addition, the Ministry of the Environment (ME) has prepared a new act on limiting the environmental impact of selected plastic products, which transposes the requirements of the Directive on limiting the environmental impact of certain plastic products. The proposed act was approved by the Government in January 2021. In January 2021, the proposed act was approved by the Government and subsequently submitted to the CDP. The act is currently pending discussion in the CDP, which means that the transposition deadline (July 2021) may be threatened. The ME is taking steps to fast-track the bill onto the CDP agenda.

The implementation of the new legislation on waste management in the Czech Republic is a reform initiative within the framework of the National Recovery Plan.

The **preparation of the Strategic Framework for the Circular Economy in the Czech Republic - Circular Czechia 2040** continues. The aim of the strategic framework will be to analyse the current situation, define the priorities of the Czech Republic in the field of the circular economy (including the bioeconomy), formulate individual objectives within these priorities and determine what measures and instruments the Czech Republic should use to achieve them. In October 2019, a project was launched to prepare the Czech Republic's Circular Economy Strategy funded by the EU's Structural Reform Support Programme (SRSP), which also involves the OECD in the preparation of the strategic framework. Work on the preparation of the document was slightly delayed in 2020 due to the COVID-19 pandemic. A public consultation will take place in 2021, with completion expected by the end of

2021. The completion of the Strategic Framework for the Circular Economy is an important reform step for the fulfilment of the EGD and the New EU Circular Economy Action Plan objectives.

The completion and implementation of the Circular Czechia 2040 strategy is also a reform initiative within the National Recovery Plan.

For the next period, the Czech Republic is preparing investment support for the transition to the circular economy through the National Recovery Plan, where the topic of the circular economy is implemented in component 2.7. *Circular Economy and Recycling and Industrial Water*. The estimated volume of funds for investments in the construction of recycling infrastructure and investments in energy infrastructure for the management of selected types of waste is proposed at the level of approximately CZK 2.4 billion.

Air protection

The update of the **National Emission Reduction Programme of the Czech Republic** was approved by the Government at the end of 2019. The **Air Quality Improvement Programmes** that were issued in the middle of 2016 have all been updated, with the most recent update issued in February 2021. Following the performed analyses and evaluation of the air quality development with the application of existing measures in the prospective state, target pollutants and priority measures to reduce them below the legal limits were specified for the area where the target value could be exceeded even after the application of existing measures. The updated Air Quality Improvement Programmes take account of air quality developments and specify measures to improve air quality for the 2020+ period. The measures are aimed at the domestic, industrial and transport sectors. The replacement of obsolete combustion stationary sources in households will be supported by other funding under the NR Plan, such as Component 2.5, in addition to the ongoing boiler subsidies from the Operational Programme Environment. OP Env 2021-2027 will also provide financial support for the implementation of projects aimed at reducing emissions from industrial and agricultural sources. Support for the staffing capacity of municipalities and regions to implement air quality improvement programmes should be provided through the NEP.

Flood protection

In 2021, processes will be underway to make flood risk management plans binding for the next planning period of 2021-2027. Support for flood protection measures will continue under the OP Env 2014-2020 and support from the OP Env 2021-2027 is being prepared. The support will focus on preventive measures for flood protection, on the actual implementation of flood protection measures (preferably close to nature) and on support for flood operative measures as well as background studies and plans.

Measures from flood risk management plans will be implemented. The implementation of the Flood Prevention Programme measures will continue in 2021.

Protection against the effects of drought

In 2021, in addition to the fulfilment and updating of the documents adopted by the Government related to climate change (also manifested in the area of drought), the Strategy for Adaptation to Climate Change in the Conditions of the Czech Republic (2015) and the follow-up National Action Plan for Adaptation to Climate Change (2017), the implementation of the Government's Concept of Protection against the Consequences of Drought for the Territory of the Czech Republic (2017) will continue. Primarily, it will be about continuing the implementation of existing programmes and implementing necessary measures such as "Rainfall", New Sources of Drinking Water for

Municipalities, Wetlands and Pools, Small Water Reservoirs, Revitalisation of Watercourses, Planting Trees, Increasing the Resilience of Forests to Drought, Green Roofs, Monitoring and Assessment of Drought - including the renewal of the deep borehole monitoring network, Artificial Infiltration - the research and implementation of specific sites, Revision of Hydrogeological Zones.

Both previous topics are followed by the area of rainwater management in municipalities and cities, which will be supported by the OP Env 2014-2020 in 2021 and support from the OP Env 2021-2027 is being prepared.

Measures are implemented under the management of the MAg under the programmes Support for Water Retention in the Landscape - Ponds and Water Reservoirs, Support for Measures on Small Watercourses and Small Water Reservoirs, Support for Competitiveness of the Agro-Food Complex - Irrigation, Removal of Flood Damage to State Water Management Assets, and Support for the Construction and Technical Improvement of Water Supply and Sewerage Infrastructure, and buyouts for the construction of the Vlachovice, Šanov, Senomaty, Kryry and Skalička waterworks are also implemented.

3.3 Education and the labour market

Strategy of education policy of the Czech Republic until 2030+

On 19.10.2020, the Government approved the Strategy of education policy of the Czech Republic until 2030+ (hereinafter referred to as “Strategy 2030+”). The task for Strategy 2030+ is to clearly set the direction of the development of education and the priority of investments for the next ten years. The goal is to modernise the Czech Republic’s education system in the area of regional education, interest and non-formal education and lifelong learning, to prepare it for new challenges, while also addressing problems that persist in Czech education. Strategy 2030+ has two main strategic goals. The first focuses on transforming the content and method of education, the second on reducing inequalities in access to education and developing the potential of all children. The ways to realise these goals are represented by individual strategic lines, of which there are five: the transformation of education itself, the issue of inequality, the support of teachers, increasing professional capacities, trust and mutual cooperation and providing stable financing.

The implementation of the Strategy 2030+ in the first period will be based on the five Action Lists that were approved together with the Strategy 2030+. At the end of the first period, the progress of implementation will be evaluated and a selection of further key measures for implementation in the next period will be made. The implementation will be carried out in cooperation with a wide range of stakeholders.

Operational Programme Research, Development and Education in the area of regional education

Support for regional education continues to be a major focus of the Operational Programme Research, Development and Education (OP RDE) under the authority of the MEYS, which supports this area through projects focused on education for the social integration of children and pupils with specific educational needs, improving the quality of preschool education, including facilitating the transition of children to primary school, improving the quality of education and results in key competences, developing strategic management and quality assessment in education, improving the quality of training of future and beginning teaching staff, increasing the quality of education and training, including strengthening their relevance to the labour market. The projects implemented in the OP RDE calls affect the systemic and regional level, and individual schools and educational institutions are supported in the same way. Support is targeted at all the areas listed below (pre-primary and primary education, inclusion, digital education, school quality, vocational training and support for education workers). As part of the follow-up measures to the Digital Education Strategy 2020 (DES), methodological and technical support for the use and integration of digital technologies into teaching and school operations is provided in the OP RDE projects aimed at implementing the DES through newly-developed training programmes for school management and teaching staff. The support was affected in recent months by the COVID-19 pandemic. Given the end of the programming period, it is not expected that new calls will be announced. At the same time, the new programming period is being intensively prepared and with it the Operational Programme Jan Amos Komenský (OP JAK), which responds to the specific recommendations of the Council for the Czech Republic and at the same time will build on the existing operational programme.

The OP JAK will be finalised on the basis of negotiations with the EC representatives in order to make clear the specific activities supported in the individual priorities. Subsequently, calls that will be linked to the Strategy 2030+ in relevant areas will be prepared and announced.

The educational infrastructure will also be supported by IROP 2 under the 21-27 programming period.

Connection to the National Recovery Plan

Within the framework of the negotiations on the National Recovery Plan, the MEYS targets its proposals in one of the components, namely **3.2 Adaptation of the Capacity and Orientation of School Programmes**, e.g., to modernise and strengthen the capacity of selected academic institutions and to support higher education reacting to the needs of society and the labour market, and last, but not least, interventions are planned to improve the conditions for further education. This component includes ensuring equal access to quality education for all children, pupils and students. In the second component of the MEYS for the field of education, called **3.1 Innovation in Education in the Context of Digitalisation**, attention is paid to the support of digital education, which focuses, inter alia, on supporting the development of digital literacy and computational thinking (see above).

Pre-school education

Supporting pre-school education is one of the priority tasks for the first implementation period of the Strategy of education policy of the Czech Republic until 2030+ (Strategy 2030+). In connection with the implementation card for the support of pre-school education, the preparation of an adjustment of the Framework Educational Programme for pre-school education will be started in the near future in accordance with the objectives of Strategy 2030+ and in relation to the current changes in society and the needs of children as well as of the Framework Educational Programme for pre-school and out-of-school pedagogy, which should lead to an increase in the quality of the undergraduate training of teachers working in kindergartens. The adopted measures, e.g., to increase participation in pre-school education for children of all ages, are in accordance with Council of the EU recommendations.

Elementary education

For the first implementation period of the Strategy 2030+, the revision of the Framework Educational Programme for Elementary Education (FEP EE) and the system of methodological support for schools and teachers is crucial for the field of elementary education. The objective of the measure is to modernise the content of education so that it corresponds to the dynamics and needs of the 21st century. In January 2021, the updated FEP EE was approved. A new educational area of Informatics was introduced, the objective that is to develop students' computational thinking and which includes the following areas:

- Data, information and modelling
- Algorithmisation and programming
- Information systems
- Digital technology

The number of hours of Informatics at the 1st stage of ES has doubled (2 hours per week) and quadrupled (4 hours per week) at the 2nd stage. Furthermore, a new digital core competence was introduced, which should be developed across educational areas. Schools will be obliged to start teaching according to the new FEP EE from 1.9.2023 at the 1st stage and from 1.9.2024 at the 2nd stage.

Subsequently, the content of the FEP EE will be comprehensively innovated in key competences with a priority focus on educational content in the mother tongue and a foreign language, mathematics and science (STEM) and the use of digital technologies.

Inclusion in education

From 1.1.2021, an amendment to Decree No.72/2005 Coll., on the Provision of Counselling Services in Schools and School Counselling Facilities, as later amended, is in force, setting out which services may be provided for a fee by school counselling facilities. A free standard of support and provision of school counselling services related to the determination of support measures for children/pupils with special educational needs provided to specific persons remains unchanged. The amendment to Decree No.27/2016 Coll., on the Education of Pupils with Special Educational Needs and Gifted Pupils, as amended, entered into force on 1.1.2021. The aim of the amendment is to make pedagogical intervention - educational support for children with special educational needs - more effective without the need to undergo an administratively demanding examination at a school counselling facility. If the amended decree were to take effect, additional educational support would be provided promptly when a child needs it to improve his/her educational results. Equal access to quality education is the second strategic line of the Strategy of education policy of the Czech Republic until 2030+, which should lead to the reduction of regional disparities, segregationist tendencies in education and the removal of socio-economic barriers.

The MEYS is preparing an amendment to Decree No.14/2005 Coll., on Pre-School Education, as amended, and Decree No.48/2005 Coll., on Elementary Education and Certain Requirements for Fulfilling Compulsory School Attendance, as later amended. The primary objective of the proposed amendment is to set up a sustainable system of support for the education of children and pupils of foreigners with insufficient knowledge of the teaching language and thus to improve the conditions for their education at schools.

The amendment to Decree No.14/2005 Coll. addresses the establishment of systemic language support for children in compulsory pre-school education, which will also be enshrined in the Framework Educational Programme for Pre-school Education and has not been defined in legislation yet. Timely language support is very important for future integration into compulsory school attendance and is much more effective and less costly than if it is started when entering elementary school. This is an important preventive measure against future school failure. The amendment to Decree 48/2005 Coll. addresses the currently inadequate legal regulation of language support in elementary education, which does not contain clear parameters for the designation of schools for language training by regional authorities and cannot be considered systemic. It is necessary to ensure the adequate availability of schools for language training so that foreigners, when coming to the Czech education system, can first intensively study the Czech language and then be fully integrated into the regular classroom.

Digital education

The need for the development of digital education was reflected in Strategy 2030+ and its implementation cards, which contain concrete steps in this area. These include, in particular, the implementation of the Framework of Digital Competence for Teachers, the revision of the FEP EE in the area of ICT and digital education, which were introduced at the beginning of 2021, and the innovation of the subject system.

According to Strategy 2030+, digital technologies should become an integral part of school life. To ensure a high-quality digital education, it is important to focus on 3 aspects: i) internal and external school connectivity, school facilities and IT administration; ii) digital competence of teachers and students; iii) quality digital content, curriculum. These three aspects are interlinked and without their complementarity, it is not possible to ensure a high-quality education in connection to dynamic changes in society. This assumption is in accordance with the European Commission's newly published *Digital Education Action Plan*, which takes a holistic approach to digital education.

The MEYS reflects this approach in the NR Plan, especially in component **3.1. Innovation in Education in the Context of Digitalisation**, which will help prepare the education system for the suitable and age-appropriate use of digital technologies in all areas of education so that they become a meaningful part of teaching and support both computational thinking and digital literacy of pupils. This component includes the creation of a pool of mobile digital devices for disadvantaged pupils with the objective of preventing the digital divide.

With regard to the development of digital education, it is desirable to take into account the topics of cybersecurity, which are an integral part of it. Cyber threats become more frequent as modern technology becomes more widespread and integrated into society. Therefore, the Czech Republic must continue to reflect this situation and integrate the issue of cybersecurity into all levels of the education system, across all disciplines.

Methodological support of the CSI in the area of quality of education

For several years, the inspection activities of the Czech School Inspectorate (CSI) have been significantly reducing the previously dominant formal controls (documentation, regulations, etc.) in favour of a qualitative evaluation of pedagogical processes or such school activities that have a significant impact on the quality of education provided. At the same time, the CSI is gradually supplementing and expanding its portfolio of methodological activities to support schools in their path for higher-quality education.

The creation of important methodological tools meant to support of the strengthening of the quality of schools is ensured by the CSI especially within the implementation of the individual systematic Comprehensive Evaluation System project (supported by the OP RDE).

The activities of the Czech School Inspectorate aimed at supporting the quality of schools and emphasizing the expansion of the methodological dimension of the Czech School Inspectorate's work will be further strengthened in 2021. Materials will be prepared for schools oriented on working with criteria for evaluating the conditions, progress and results of education, as well as on the use of other evaluation tools in the context of the self-evaluation of schools. In cooperation with external educators (e.g., further education facilities for pedagogical staff established by the individual regions or the National Pedagogical Institute of the Czech Republic), **methodological and educational** programmes for headmasters and pedagogical staff of specific schools will also be developed and implemented, reacting to the findings of CSI evaluation activities in the context of defined school weaknesses or opportunities for improvement in specific schools.

Support of teaching and non-teaching staff

In 2021 and the following period, the MEYS will primarily strive to improve the working conditions of teaching and non-teaching staff in education. In relation to headmasters and teachers, activities will continue, in particular, to create, test and implement a system of comprehensive modular support contributing to the professional development of school leaders in the field of pedagogical management and teachers in the field of didactics through professional communities using a wide range of forms of collegial support and piloting the so-called middle link of support in selected regions. The support to schools provided by the network of regional ICT methodologists will also continue. The objective is to improve the quality of teaching and education at schools and educational institutions.

A government proposal to amend the Teaching Personnel Act is in the legislative process, which should, inter alia, establish a two-year adaptation period for beginning teachers and set conditions for the entry of graduates of master's degree programmes and experts from practice into the teaching

profession. The proposal is currently in the CDP after being debated in the Senate. This amendment, among other things, enshrines directly into the act the amount of the tariff salaries of teaching staff remunerated by salary.

The MEYS is developing a new concept of undergraduate training for future teachers studying at universities. From January 2021, the MEYS is currently planning and preparing participation with universities.

Vocational training

Through the Minister's measure, updated FEPs for vocational education were issued as of 1.9.2020 and schools are obliged to adjust their school curricula and start education no later than 1.9.2022, starting from the 1st class year. At the same time, from 1.9.2020, the announcement of the experimental verification of the update draft of the educational area Education in Information and Communication Technologies of the Framework Educational Programmes of secondary vocational education was announced. In August 2020, an amendment to the Government regulation²⁵ was completed to include comparative fields of education with a maturity exam in category L and a vocational certificate in category H, which will allow get a vocational certificate in the third year and a maturity exam in the fourth year. Following the approval of the Strategy of education policy of the Czech Republic until 2030+, activities have been launched to implement the implementation card for vocational education "Innovation of the Subject System", which will take place in 2021. The objective of the innovation is to create a functional, accessible and labour market-responsive subject system, which, after identifying the needs of employers and through a revision of the content of education in the individual fields of education, will ensure that graduates are equipped with competence for further professional and non-professional education, personal life and long-term employability on the labour market. We will also focus on the creation of a quality standard for school and company workplaces and methodological support and development of the content, scope and quality of practical training.

University education

On 1.1.2021, the amendment to Act No.111/1998 Coll., on Universities came into effect, regulating the rules for education at universities in the event of the declaration of a crisis measure pursuant to the Crisis Act or due to the decree of an extraordinary measure that would affect the functioning of universities in the future. The areas concerned are in particular the use of distance learning tools, regardless of the accreditation of individual study programmes, the modification of the conditions of the admission procedure, the change in the length of the academic year and the extension of the period for the certification of education for the purposes of the admission to study. In 2021, an amendment to the Act on Universities will also be proposed, which will authorise the MEYS to set the minimum number of doctoral scholarships, the minimum time allocation reserved for full-time doctoral students to fulfil their study obligations and to carry out dissertation research. As a result of this year's pandemic restrictions, there has been a shift in the implementation of the aforementioned reform, which is the implementation of the Programme to Support the Strategic Management of Universities 2022-2025, which strengthens the aspects of contractual funding and the importance of strategic decisions of university management. Therefore, the Institutional Programme for Public Universities was announced for 2021, which will allow the rapid implementation of the priority objectives set out in the Ministry's Strategic Plan for Universities for the period from 2021 onwards (SP2021+), with a

²⁵ Government Regulation No. 211/2010 Coll., on the System of Fields of Education of Elementary, Secondary and Higher Vocational Education, as later amended.

clear focus on adapting the experience gained with the reduction of the presence of full-time students in the classroom. The construction of professional and technical facilities for distance learning methods will be particularly relevant. The Institutional Programme for 2021 can also fund other activities in line with the SP2021+, such as the development of curricula that respond to labour market needs and equipping and preparing schools to provide lifelong learning and further education in relation to up-skilling and re-skilling. In 2021, the evaluation of research organisations in the university segment will be completed in accordance with the Methodology for the Evaluation of Research Organisations and Special Purpose Support Programmes, known as Methodology 2017+, through the submission and consolidation of the evaluation report and the subsequent joint meeting of the MEYS, the Council for Research, Development and Innovation and the Czech Rectors' Conference, in accordance with the updated timetable affected by pandemic restrictions. The support of higher education is still a major focus of the OP RDE under the MEYS, which supports this area through projects oriented on the development and modification of study programmes, improving the efficiency of work with students with specific educational needs and building the necessary infrastructure. At the same time, the new programming period is being intensively prepared together with the OP JAK, which reacts to the specific recommendations of the Council for the Czech Republic and will also build on the existing operational programme **Further education**.

With the advent of new technologies, Industry 4.0 and the emerging changes in the labour market, the field of further education is increasingly coming to the forefront. In 2021, the development of the National Qualifications Framework (NQF), a register of professional qualifications existing on the Czech labour market, will continue. In 2020, the focus of the *Upskilling CZ* project was on supporting the network of NQF Authorised Persons who are entitled to organise and conduct exams for relevant professional qualifications, in particular for professional qualifications leading to the so-called full professional qualifications at EQF level 3 and 4, or who conduct exams for professional qualifications involving the development of digital competences. At the same time, NQF is being supported and developed as a tool to enable people to gain qualifications or attain education degree in a flexible way. In October 2020, the number of holders of professional qualification certificates reached 241,092.

The COVID-19 pandemic has had a major impact on the field of further education, including the performance of exams for professional qualifications. Nevertheless, there is a high demand for further education leading to qualifications driven by current changes on the labour market. Support in the area of lifelong learning and processes for the recognition of the results of non-formal and informal learning (support for schools as lifelong learning centres and other educational institutions), the creation of accessible educational offerings and further education programmes relevant to the changing qualification needs of the labour market through cooperation with social partners (representatives of employers and employees), and quality support from career guidance services are key topics for the future.

At the same time, it will be clarified which operational programmes will be used to announce calls on staff training and upskilling and reskilling.

Within the National Recovery Plan, under the Component Modernisation of Employment Services and Labour Market Development (under the management of the MLSA), there is the investment in the Development of Employment Policy, i.e., support for employment measures, especially retraining, training in connection with Industry 4.0 or support for enterprise training.

Employment policy

The situation on the labour market was significantly affected by the COVID-19 pandemic in 2020 and the labour market can be expected to be negatively affected in 2021 as well. Naturally, the measures adopted in 2020 in the area of employment and which will be implemented this year also correspond to this. However, despite these unfavourable trends, the Czech labour market remains in relatively good shape, when compared internationally. Between the end of March 2020 and the end of March 2021, the number of job seekers increased by 80,938, from 225,678 to 306,616. In parallel, the share of unemployed persons increased from 3.0% in March 2020 to 4.2% in March 2021, while the unemployment rate monitored by EUROSTAT for international comparison increased by 1.4 percentage points year-on-year in February 2021 from 1.8% in March 2020 to 3.2%. In international comparison, the Czech labour market continues to perform very well, with the average unemployment rate in the EU (27) being 7.4% in February 2021, up 0.8 percentage points year-on-year.

In order to minimise the impact of the pandemic on the Czech labour market, the MLSA launched the implementation of the **Targeted Employment Support Programme "Antivirus"** on 6.4.2020. It provides employers with financial contributions to cover the expenses that incur by paying wage compensation to employees (and the related insurance premium payments) for the period when obstacles to work arise and the employee is therefore unable to work. The Antivirus programme aims to resolve both the direct impacts of the disease and related protective measures (closure orders, quarantine) on the employer's economic activity, as well as indirect impacts (e.g., a loss of sales, increased employee absenteeism, disruptions in input supplies). The amount of support varies depending on the reason for the obstacle to work. As of 18.3.2021, a total of 70,861 employers and 985,763 employees have joined the programme. A total of CZK 28.6 billion was paid out.

In connection with this programme, the Ministry of Labour and Social Affairs has prepared a proposal for a systemic measure - **support in part-time employment**, which will fulfil a similar objective, i.e., to maintain employment in the event of serious economic disruptions or other extraordinary situations negatively affecting the labour market (pandemic, cyber-attack, natural disaster). The measure will be implemented in Act No. 435/2004 Coll., on Employment, as later amended, and is currently in the legislative process.

Not only in connection to the impact of the pandemic, but also in connection to the expected transformation processes in the economy and therefore also on the labour market, caused by the implementation of the commitments of the European Green Deal, the Ministry of Labour and Social Affairs has prepared the **Outplacement** project, which is financed from the ESF - Operational Programme Employment (OP E). Although it has been implemented since 1.6.2020, its full implementation is expected to follow the start of the transformation processes next year. The objective of the project is to provide support to employees who are at risk of loss of their jobs even before they become unemployed. The combination of support for part-time employment, the Outplacement project and the existing Support for Vocational Training of Employees project will enable comprehensive support for the stability of the labour market in the situation of the economic crisis and ongoing transformation processes. It will enable the retention of key employees, support occupational mobility in less perspective sectors and last, but not least, strengthen the qualification of the workforce or its retraining towards more promising professions and fields. In 2021, the 2020 trend of supporting educational activities, including those that take place in distance form or online, will continue.

In 2021, the project **Support for forms of flexible employment (FLEXI)** will be further implemented, combining several forms of support for flexible forms of work organisation. The objective is to support the entry into the labour market, or to remain on it, for persons who, as a rule,

have difficulties in finding employment due to their individual characteristics. An emphasis is placed primarily on disadvantages that do not allow full-time employment (older age, state of health, care of child, etc.). Supported activities include support for the creation of job-sharing based on an agreement pursuant to Section 317a of Act No. 262/2006 Coll., the Labour Code, as later amended, support for the creation of generational tandems, i.e., a form in which an existing employee of pre-retirement age prepares a new colleague and last, but not least, support for the creation of jobs for disadvantaged persons in general.

In 2021, attention will also be paid to setting up a system of support for the development of the social economy or social entrepreneurship. Currently, the MLSA is assisting in the drafting of the parliamentary Act on the **Integrative Social Enterprise**. The aim of the proposed legislation is to set up a system of support for the development of an integrative social enterprise and their legal and definitional framework. This enterprise should contribute to strengthening integration into the labour market and increasing employment of the most disadvantaged people, i.e., especially people with disabilities, the long-term unemployed or people with other social disadvantages.

Last, but not least, attention will be paid to further education, especially retraining, in 2021. The Ministry of Labour and Social Affairs will concentrate on setting up systemic cooperation between employment services (the Labour Office of the Czech Republic) and secondary schools and universities so that the retraining carried out meets the needs of the labour market, the requirements of Industry 4.0 and a greater link between initial and further education. One of the objectives of the proposed changes is the creation of retraining centres of the Labour Office of the CR, expanding the offer of retraining courses and aiming them effectively at the needs of the labour market, in cooperation with social partners.

Employment of women

The potential of Czech women in the labour market is not sufficiently exploited. Although the employment rate of women in the Czech Republic is above the EU average, the employment rate of women with young children is at the European minimum (47.2% vs. 63.1% in 2018). The Czech Republic has long-term the highest rate of the impact of parenthood on the employment of women, with a difference of 30.5 percentage points between the employment rate of women without children and women with children under the age of six in 2018. The gender pay gap in the Czech Republic is one of the highest in the EU, but available statistical data show a slight improvement in this area. While in 2018 the gender pay gap (GPG) in the Czech Republic was 20.1%, the second highest in the EU, in 2019 it fell to 18.9%, the fifth highest in the EU (the average GPG in the EU in 2018 was 14.8%, in 2019 it fell to 14.1%). The “net” GPG amounted to 10%, which in other EU countries it was around 5%.

Since 2017, the Government has been implementing the Family Policy Concept (hereinafter referred to as the "Concept"), which contains a total of 39 measures to comprehensively support families with children, one of which is to increase the participation of parents with children on the labour market, for example, by increasing the availability of childcare services, supporting flexible forms of employment, adjusting the parental allowance to increase the possibility of using childcare services for pre-school children and measures to reduce the gender pay gap.

The amendment to the Labour Code modifies the concept of job-sharing as a new flexible form of work from January 2021, whereby at least two employees with shorter working hours can rotate in the same job.

As part of the ongoing 22% TO EQUALITY project aimed at reducing the gender pay gap, an Equal Pay Action Plan is being developed which will propose specific measures to reduce the GPG. The project involves key actors in this issue, such as the State Labour Inspection Office (SLOI), the Ombudsman - the Office of the Public Defender of Rights, social partners and specific employers from the private and public sectors.

In order to eliminate gender inequalities on the labour market, the Government of the Czech Republic adopted the **Strategy for Gender Equality for 2021-2030** on 8.3.2021. In addition to the support of gender equality on the labour market, the strategy also focuses on combating against gender stereotypes, increasing the representation of women in decision-making positions, the support of the availability of childcare services and the prevention of domestic and sexual violence. In 2021, the Office of the Government of the Czech Republic will be coordinating the fulfilment of the strategy. New operational programmes for the programming period 2021-2027, such as OP E+, OP JAK or EA/Norway funds, will be used to finance the measures of the strategy.

Childcare services

Despite the recent increase in the capacity of pre-school childcare facilities, also thanks to support from the ESF (OP E) and ERDF (IROP), the supply of these services, especially for children under the age of three, is still insufficient. The participation of children under the age of three in formal care facilities (9.1%) is below the European average (35.1% in 2018).

The Children's Group Act sets the basic parameters for childcare services for children from the age of one to the start of compulsory school attendance on a non-commercial basis. As of 30.4.2021, the MLSA recorded 1133 active children's groups with more than 15,000 places for children. From 2016 until the end of 2021, the MLSA is implementing a systemic project *Support for the Implementation of Children's Groups*, which provides comprehensive advice and methodological support to providers of children's groups for the implementation of the Children's Group Act. The project includes the creation of a nationwide register of children's groups, methodological documents for parents and providers, and a web-based communication platform for providers. Currently, the project is being extended until the end of 2022.

On 20.7.2020, the Government approved a draft amendment to the Children's Group Act on 20.7.2020, which is intended to **introduce stable funding for nurseries from the state budget** after the end of ESF support in order to increase the availability of childcare services and support the work-life balance; furthermore, to establish the conditions for the care of the youngest age group of children from the age of six months in a small group of no more than four children ("micro-nurseries"); to **change the name of the children's groups to "nurseries"** in order to be more precise and to indicate the quality and availability of childcare services for the youngest children; and at the same time **to adjust the upper age limit of the child who can be cared of in a nursery to 31 August** immediately following the child's third birthday. The amendment is proposed to take effect from 1.7.2021, with a transitional period until 31.8.2024 for the transformation of existing registered children's groups. Massive support for nurseries is also proposed under the National Recovery Programme. The amendment is currently before the 2nd reading in the CDP.

Measures to promote the work-life balance

In 2021, the MLSA will continue to implement the systemic project *Coordination of Measures to Support Work-life balance at the Regional Level*, which aims at improving the coordination of national and regional policies in the area of family support through a network of regional advisors and the functioning of national and regional platforms. The project is currently extended until the end of

2021 due to the expansion of the existing key activities, the expansion of the target groups to include employers and the new focus on primary prevention.

Employing of foreign workers

In 2020, the development of labour migration from third countries to the Czech Republic was affected by the global COVID-19 pandemic. The significant ongoing growth in the number of foreign workers from third countries since 2016 has temporarily slowed down due to the effects of the pandemic.

During the course of the year, as part of the anti-epidemic measures at the national level and as part of a joint EU action, the Government of the Czech Republic was forced to temporarily restrict the entry into the Czech Republic of all categories of labour migrants whose arrival was not necessary. Due to the epidemic situation in a number of third countries, embassies had to be closed for a certain period of time and the reception of applications for residence permits was suspended. Despite this, 25,000 new long-term residence permits were issued in 2020 for employment purposes (a quarter less than in 2019). The number of short-stay visas issued for employment purposes has also decreased, with 96,500 issued in 2020 (40% fewer than in 2019).

The main instrument for regulating the volume of labour migration from third countries to the Czech Republic is the quotas set by Government Decree for 2021, their specific amount and their composition are the subject of tripartite cooperation. The government has set the number of quotas for 2021 in new Decree No. 556/2020 Coll. Due to the persistent high demand of Czech employers for labour force, the 2021 quota for medium- and low-skilled migrant workers has not been reduced below the 2020 level despite the economic downturn caused by the impact of the pandemic. Quotas for highly-skilled migrants were increased, giving employers greater leeway to recruit foreign experts. Under the quotas, labour migration will continue to take place primarily through the migration programmes approved by the Government in 2019. The participation of foreign workers in these programmes is conditional by, inter alia, their increased wages (above the minimum set by labour law), so the programmes also prevent social dumping.

Support for the employment of foreign workers does not preclude the implementation of measures to maximise the use of domestic reserves in the context of the growing number of unemployed on the domestic labour market, especially as a result of the COVID-19 pandemic.

The Ministry of the Interior regularly supports integration projects of municipalities/urban districts at the local level and projects of non-governmental organisations through subsidy programmes. In 2020, the Ministry of the Interior issued Implementing Decree No.520/2020 Coll., which regulates in detail the conditions for the implementation of adaptation-integration courses guaranteed by Integration Centres. As of 1.1.2021, selected categories of foreigners with newly authorised residence are obliged to complete this course within 1 year of the granting of the residence permit.

The MLSA has received technical support from the SRSP for the employment and selection of foreign workers, under which a feasibility study on the **Multicriteria Preferential Migration Point System** will be developed from 2020 to 2022. The advantages of the system especially include the shift towards strategic planning of labour migration by the MLSA and the possibility to flexibly adapt migration to the current labour market situation. The plan is to link the new system directly to labour market forecasts and unemployment rates for individual occupations, with the entire system being accessible online to both employers and foreigners. The MLSA also intends to continue to cooperate and support in the future the already established migration programmes approved by the Government to achieve economic benefits for the Czech Republic; these are currently the Highly Skilled Worker

Programme, the Key and Scientific Personnel Programme, the Skilled Worker Programme and the Extraordinary Work Visa Programme for Ukrainian nationals working in agriculture, food processing or forestry.

Social policy - Long-term health-social care

The aim is to link services at the social-health interface in order to improve access to services for people who need a combination of healthcare and social services.

The target state is to set up a comprehensive system of permeable (integrated) social and health care, where the user/patient receives care according to his/her needs, not according to whether he/she receives care in a medical or social bed. This integrated care will have clearly set staffing standards, material and technical standards, process standards, standards for assessing user/patient suitability, a transparent network and access to care.

The original intention for this term of office, which has not yet been implemented, was to link the areas of the health and social border, which the Minister of Health and the Minister of Labour and Social Affairs decided to implement in the form of an amendment act (Act No 372/2011 Coll., Act No 108/2006 Coll., Act No 48/1997 Coll., and possibly others). This intention plans the setting of long-term care beds, which will require a licence to provide social services and a licence to provide healthcare services. These beds will be funded through the nursing day for healthcare and also analogically as social care beds, to which the care allowance will also go. The implementing regulation will also include the setting of personnel and material-technical standards. In the first phase, a change of setting is planned for about 15,000 existing beds.

3.4 Institutions, regulations and business support in response to COVID-19

European Single Market

The single market remains one of the most important priorities of the Czech Republic's EU membership. Therefore, the Czech Republic has long taken a leading role in the debate on its expansion and, despite the coronavirus crisis, must remain in this role and come up with new proposals to improve it and remove the obstacles that have persisted so far. The key material on the future direction of the single market on the EU level is the European Commission's Communication "Long-term Action Plan for the Better Implementation and Enforcement of Single Market Rules" and the accompanying Communication "Identifying and Addressing Barriers to the Single Market" as part of the "March Package" of 2020. Given the withdrawal of some important legislative proposals for the Czech Republic by the European Commission (the draft notification directive and the electronic services card), it is all the more important for the Czech Republic, by 2021, to focus on the systematic implementation and enforcement of measures based on the EU's long-term action plan and to continue to advocate for a more effective functioning of the single market with an emphasis on the service sector. A key measure for the Czech Republic in this respect is the establishment of the Single Market Enforcement Task Force (SMET). Equally important for the Czech Republic are the European Commission's efforts to update the guidelines for various legal regulations, which will help set more precise boundaries for possible unreasonable and business burdensome regulations on the national level.

Business environment

In September 2019, the MIT launched the next stage of the Eco-Audit (the collection and resolution of proposals and suggestions from the business community to reduce the administrative and financial burden in connection with the application of environmental legislation). In the course of 2020, the ME discussed the new proposals with the MIT and representatives of the business community. The final document, which contains newly-proposed measures and an overview of the completed tasks from the previous stages of the Eco-Audit, was approved by the Government (Government Resolution No. 22 of 11.1.2021). Out of a total of 163 measures, 138 have been completed so far.

Awareness of the business community

In 2021, the Czech Republic will continue to raise awareness among Czech businesses and citizens about their rights and opportunities in the EU single market through existing information tools, including one-stop shops (OSS), the Product Contact Point (ProCoP) and the SOLVIT network. An important reform activity in relation to informing the business sphere is the implementation of the Regulation on the establishment of the **Single Digital Gateway**, the part of which concerning the requirements of the Regulation in relation to information and assistance services was implemented on 12.12.2020. When fully operational in December 2023, the Single Digital Gateway will be a signpost from which citizens and businesses can find their way to the information, procedures and assistance services they need at any given time, even in a foreign language. Ultimately, the Single Digital Gateway will replace the e-OSS. In 2021, the MIT will continue to organise seminars in cooperation with business representations, focusing on topics related to the cross-border provision of services, posting of workers and current coronavirus measures on the single market.

Following the declared state of emergency in 2020 (first and second) and the announced restrictive measures in various socio-economic areas, the Government almost immediately adopted a series of

measures to strengthen support to the directly-affected sectors. In connection with the ongoing COVID-19 pandemic, a number of the programmes listed below also continue in 2021.

For 2021, the MIT's ambition is to continue with the set goals in reducing the administrative burden for entrepreneurs. This mainly applies to the Trade Package, which is gradually being implemented and whose parameters, including the current implementation, are available on this link: <https://www.zivnostensky-balicek.cz/>.

The MIT has prepared and implemented the following programmes under its management since 2020:

1. Care-giver's allowance for SEP

It was possible to apply for the first time for the month of March 2020 following the first state of emergency. The subsidy was designed to compensate, at least in part, for the reduced or limited ability of SEPs (core business only) to operate their businesses as a result of the spread of the COVID-19 pandemic, which saw the closure of school facilities by Government decree. As of 15.5.2021, 8 calls have been implemented, with approximately 255,000 applications in the total amount of CZK 2.6 billion settled and disbursed. Given the current situation, a call is planned to be launched in March 2021. The amount of the care-giver's allowance is 400 CZK/day. Unlike previous calls, the "Care-Giver's Allowance" for SEPs cannot currently be combined with the Compensation Bonus, which will be paid by the Ministry of Finance.

2. COVID Culture (call nos. 1 and 2)

The objective of **call no. 1** of the programme was to provide support to business entities carrying out their main business activity in the cultural sector for the unnecessary expenses incurred by these entities in connection with the extraordinary measures of the Ministry of Health. The support was provided in the form of an ex-post subsidy for expenditures incurred in vain during the relevant period from 1.10.2019 to 17.5.2020 in connection with the organisation of cultural events that were due to take place between 10.3.2020 and 31.8.2020 and were postponed or cancelled as a direct result of extraordinary Government measures. Currently, 80 applications have been reimbursed for a total of CZK 32 million.

In October 2020, **call no. 2** under the COVID - Culture programme was launched, the aim of which is to provide support in the form of an activity allowance to performing artists and technical professions, as well as support in the form of an ex-post subsidy to cultural entrepreneurs for expenses incurred in vain in connection with the organisation of cultural events and continuous cultural activities between 10.3.2020 and 31.12.2020, which have been limited, postponed or cancelled as a direct result of extraordinary government measures. The support provided to applicants under call no. 2 cannot be combined with the autumn programme "Care-Giver's Allowance for SEPs", the Compensation Bonus, which will be paid by the Ministry of Finance, and the COVID - Sport programme.

3. COVID Rent (call nos. 1, 2 and 3)

The special COVID - Rent subsidy programme prepared by the MIT is intended for entrepreneurs who had to temporarily close their establishments for retail activities and providing services to customers in these establishments due to extraordinary crisis measures. The aim of **call no. 1** of the programme was to provide support to business entities in the form of 50% reimbursement of their rental expenses for the months of April, May and June 2020, provided that they had a valid and effective lease agreement concluded before 13.3.2020, the landlord provided them with a discount of at least 30% of the normal price of the rent, and they also fulfilled other conditions of the programme. Applications could be

submitted from 26.6.2020 to 30.9.2020. Currently, 17,858 applications have been approved and reimbursed, amounting to CZK 2,510,187,638.

Call 2 was announced by the MIT on 16.10.2020. Applications could be submitted from 21.10.2020 to 4.2.2021, again through the information system available on the MIT website. The decisive periods for which support is provided in call 2 are the months of July, August and September 2020. The amount of the aid is again 50% of the decisive rent for the decisive period. Landlord participation in the form of any rent discount is no longer required. Currently, 41,147 applications have been approved and reimbursed, amounting to CZK 3,337,749,043.

Call 3 was published by the MIT on 15.1.2021. Applications could be submitted from 5.2.2021 to 8.4.2021, again via the information system available on the MIT website. The decisive period for which support is provided in call 3 is October, November and December 2020. The amount of the aid is again 50% of the decisive rent for the decisive period. Landlord participation in the form of any rent discount is no longer required. Newly permitted retail establishments were also eligible to apply in the call if they demonstrated a decrease in turnover of at least 50% for the decisive period compared to the same period in 2019. Currently, 33,496 applications have been approved and reimbursed, amounting to CZK 2,671,896,483.

4. COVID Uncovered expenses

The intention of the programme is to assist businesses whose turnover has fallen by at least 50% during the beginning of 2020 compared to the same period in 2019 due to the coronavirus pandemic, with the reimbursement of the portion of costs/expenses not covered by revenue/income. The objective of the support is to prevent the deterioration of the capital situation of businesses, to increase their liquidity, to preserve their business activity and to provide them with a springboard for recovery. A subsidy provided to cover part of the expenses means both across-the-board and clear (relevant) support to those subjects that demonstrably need it, regardless of the sector. The aim of the programme is to compensate businesses for part of the loss, i.e., the uncovered expenses, and to help them, through a direct grant, to bridge the period in which these subjects are experiencing significantly lower sales due to the COVID-19 disease and the government's anti-pandemic extraordinary measures. Either 60% of the uncovered expenses (i.e., losses with subsidies included in the eligible expenses) or 40% of the uncovered expenses (losses) for the decisive period will be compensated for business entities with state or local government participation in the Czech Republic.

5. COVID Trade Fairs/Congresses

Due to the ban on holding mass events on the basis of the Extraordinary Measure of the Ministry of Health No. MZDR 10666/2020-1/MIN/KAN of 10.3.2020, and Government Resolution No. 194 of 12.3.2020 and subsequent extraordinary measures, including the repeated declaration of a state of emergency, the activities of entities engaged in the organisation and implementation of trade fairs, exhibitions, congresses, corporate and other mass events aimed primarily at the B2B segment have been suspended or restricted. The ban on mass events was the first to be announced and was not interrupted for the entire duration of the pandemic. The objective of the programme is to assist subjects in the trade fair, congress and event business with the partial reimbursement of uncovered expenses. Subjects that own and manage real estate intended for holding of mass events (e.g., convention centres, exhibition halls, exhibition centres, multifunctional halls) do not generate adequate revenues necessary to maintain their operational and functional capacity during the period of the ban and are unable to cover the necessary fixed expenses. Subjects providing events are in a similar situation. This threatens the existing congress, trade fair and event infrastructure of the Czech

Republic. Sectoral targeted support aims at maintaining the infrastructure, subjects doing business in the sector and related organisational, service, assistance and technical services. The programme compensates the loss for the period of March to October 2020. The amount of the support amounts to 60% of the uncovered expenses (losses) for the decisive period, or 40% of the uncovered expenses (losses) for the decisive period for businesses with CR state or local authority participation.

6. COVID Gastro - Closed establishments

The objective of the programme was to provide support to those businesses whose sales of goods or sales and services at their premises were prohibited or severely restricted as a direct result of the government's extraordinary measures as part of the state of emergency, thereby reducing their ability to generate revenue. These were mainly entrepreneurs from the retail, hospitality and personal service sectors. Support in the programme was provided for the period from 9.10.2020 to 10.1.2021, based on the number of employees in regular employment - the subsidy amounted to CZK 400 per employee per day of the decisive period. The support thus provided could be used by businesses for incurred operating costs. The programme supported 20,000 businesses in a total amount of CZK 3.2 billion.

7. COVID 2021

The COVID 2021 programme follows the COVID Gastro - Closed Establishments programme in time and partly in content. Its objective is to mitigate the negative impacts of the restrictions associated with the measures to combat the COVID-19 pandemic on businesses in the Czech Republic, consisting primarily of a significant drop of at least 50% in sales for the decisive period compared to the comparative period. The support is provided on behalf of an employee in the amount of CZK 500 per day. The support thus established can be used by businesses for incurred operating costs. The period covered by the calculation of the support amount is from 11.1.2021 to 31.3.2021. Applications for support will be accepted from April to May 2021 (the programme was launched on 12.4.2021) and an allocation of CZK 6 billion has been prepared for this programme.

Financial instruments

In 2021, it is expected that two initiatives already in operation, launched by the MIT in cooperation with the European Investment Fund (EIF) in previous years, will continue to be used. These initiatives were targeted at the support of venture capital and private equity investments: OP EIC Fund of Funds and Central European Fund of Funds.

Within the framework of support for equity and quasi-equity financing, two pilot projects are being prepared for launch in late 2020 or early 2021: **IPO Fund** and **Brownfields Fund of Funds**, both in cooperation with Českomoravská záruční a rozvojová banka investiční, a.s. (a newly established subsidiary of the CMGDB). The **IPO Fund** will focus on supporting public offerings of eligible companies on alternative trading platforms. For small and medium-sized enterprises (SMEs) seeking capital through an offering of their shares, the IPO Fund will have up to CZK 332 million of funds. The **Brownfields Fund of Funds** should support investment activity in the regeneration of large areas of brownfields, with the aim of transforming them into modern business infrastructures suitable for SME businesses. This financial instrument will have CZK 497 million available for pilot projects in the Ostrava agglomeration. The support will be implemented in the form of soft mezzanine loans, which will allow for additional commercial co-financing.

The Czech Republic is also involved in the activity of the **European Fund for Strategic Investments** (EFSI) through the CMGDB, providing “counter-guarantees”, which will enable the support of a larger number of projects than with the existing resources of the CMGDB and the MIT. In 2021, the

provision of new guarantees is planned for small and medium enterprises in the amount of approximately CZK 4 billion through the national **ZÁRUKA (GUARANTEE) 2015 to 2023** programme. In total, it is expected that the EFSI counter-guarantee will support approximately 5,000 business projects in the total amount of up to CZK 15 billion. The **VADIUM Programme 2018 to 2023**, which supports access to contracts from tenders/procurement through guarantees, and last, but not least, the **Inostart Programme** aimed at obtaining financing for the implementation of innovative projects, also serve to support SMEs.

Within the framework of **OP EIC**, the MIT continues to implement SME support programmes in the form of loans and guarantees and, in cooperation with the CMZRB, has prepared a programme for SME support called **EXPANZE**, which is aimed at supporting investments in SMEs under Priority 2 of OP EIC: Increase the competitiveness of start-up and developing SMEs. An allocation of approximately CZK 15 billion has been earmarked for this programme (the Expansion - Loans and Expansion - Guarantees calls were last updated on 11.8.2020). In the case of the follow-up **OP TAC**, the plan is to announce calls under the Financial Instruments (FI) in 2022, in particular support for the growth and competitiveness of SMEs, including start-ups and scale-ups, the digitisation of enterprises, achieving energy savings or support for clean mobility and last, but not least, efficient water management. The planned allocation of the FI in OP TAC is currently approximately CZK 9.4 billion (EUR 363.2 million), from which Expansion is approximately CZK 3.9 billion. The final amount of the total FI allocation in OP TAC, and its distribution within the individual SCs, will result from the analysis of the absorption capacity determined by the Preliminary FI Assessment, which is currently being prepared. Under the **Energy Savings** programme, both SMEs and large enterprises can apply for soft loans for projects that will reduce the energy intensity of the business sector. An allocation of CZK 400 million is earmarked for this programme. Within the framework of OP TAC, the allocation of almost CZK 2 billion for financial instruments in the field of energy savings is envisaged, while a new financial instrument **EPC²⁶** is being prepared in the form of an individual guarantee of the CMGDB for forfeiting (the purchase of receivables after the transfer of the investment to the client's property and recognition of the client's obligation) for the public and private sector; the guarantee will be combined with ELENA consultancy financed by the EIB. Roughly CZK 10 billion will also be allocated from the Modernisation Fund for the area of energy savings. The funds will be administered by the CMGDB.

In the context of the COVID-19 pandemic, support for businesses will continue in 2021 under the decentralised guarantee programme **COVID III** (the validity of the public support scheme under the Temporary Framework has been extended from 30.6.2021 to 31.12.2021), which aims at supporting, through bank loan guarantees, businesses with up to 500 employees whose economic activities are limited as a result of the infection caused by the spread of the COVID-19 disease and related preventive measures. In 2020, support for businesses affected by the impact of the COVID-19 pandemic also took place under the Expansion programme (OP EIC) through the COVID I (loans) and COVID II (guarantees) calls, but due to the high interest of businesses, the earmarked financial allocation was quickly exhausted and the MIT focused on support in the form of the decentralised COVID III guarantee programme. The programme is currently being expanded to include a modification of Invest, which will focus on support for investment bank loans. The Invest - Modification Programme was approved by the OG no. 373 of 12.4.2021. The Invest - Modification Programme is scheduled to be launched in May 2021. The COVID III programme, including Invest - Modification, provides for an allocation of up to CZK 150 billion according to the amendment (dated

²⁶ *Energy performance contracting* - a contract in which the contractor guarantees the achievement of energy savings within the framework of the implemented investment measures.

2.11.2020) of Act No.228/2020 Coll., on the Provision of a State Guarantee of the Czech Republic to secure debts of Czech-Moravian Guarantee and Development Bank, ensuing from the guarantee of debts on loans in connection with mitigating the negative impacts caused by COVID-19.

On 22.2.2021, the COVID ZÁRUKA CK (COVID GUARANTEE TA) programme was announced, which focuses on helping travel agencies (TAs) to arrange insurance against bankruptcy. It is a bank guarantee of the CMGDB for the financial deductible that the TA must pay when arranging insurance according to Section 6 of Act No. 159/1999 Coll. The objective of the programme is to help TAs secure statutory insurance and not drain additional cash from TAs that have been hit hard by the pandemic. The COVID ZÁRUKA CK programme was approved by the Government on 18.1.2020 in OG no. 51. The expected allocation of the programme is CZK 300 million financed from the state budget.

In other operational programmes, the implementation of the FI launched in the 2014-2020 programming period and the preparation of financial instruments for the 2021-2027 programming period will continue in 2021.

The ME continues to implement the FI, which is managed by the SEF. Soft loans are aimed at reducing environmental risks, including reducing industrial pollution, and can be combined with subsidies.

The MLSA continues to cooperate with the CMGDB and supports social enterprises regardless of size in the OP E within the framework of the S-Enterprise FI. It finances their operating and investment costs through soft loans and provides them with consultation.

In 2020, the MoRD launched the Insulation FI, which SISF manages for it. It provides interest-free loans to owners and co-owners of blocks of flats to reduce their energy consumption.

In support of Prague businesses, the INFIN and COVID PRAHA FIs were implemented by the Prague City Council in the framework of the OP PGP. It is managed for it by the CMGDB and supports small and medium Prague businesses with soft loans and bank guarantees.

National Development Bank

With Resolution No. 741 of 14.10.2019, the Government ordered the preparation of an Analysis of Legal Regulations Related to the Topic of the Substantive Plan of the Act on the National Development Bank of the Czech Republic within the Transformation Project of the Czech-Moravian Guarantee and Development Bank into the National Development Bank of the Czech Republic. The objective of the analysis is to evaluate the legislation relevant to the given issue and to formulate recommendations on the need for amendments to the existing legislation and the preparation of the National Development Bank Act, including a proposal for further action. The currently prepared joint text of the MIT, MoRD and MF will now be updated with the new concept of the National Development Bank's focus.

National Development Fund

The National Development Fund (NDF) project was prepared in 2020 with the aim of launching a new type of cooperation between private financial capital and the public sector, which will enable repayable financing of projects of public interest, especially in the framework of the forthcoming National Investment Plan. The NRF was established as a subsidiary of the CMGDB with the legal form of a joint stock company with variable share capital (SICAV) regulated by the Czech National

Bank under Act No. 240/2013 Coll., on Investment Companies and Investment Funds, as later amended. The NRF received its license in November 2020. Under the signed memorandum, Česká spořitelna, Komerční banka, Československá obchodní banka and UniCredit Bank have signed up to subscribe to private capital in the managed funds, and other investors may be added in the future. The NRF should focus in particular on the riskier parts of the financing of infrastructure projects by contracting authorities, especially in the form of PPPs. The NRF can support projects by, for example, providing mezzanine (subordinated) layers of financing, always on the principle of the return on the injected private capital.

Public Procurement

The responsible authority of the Public Procurement Act (PPA), i.e., the MoRD, provides massive methodological, educational and consultation support in the field of public procurement (PP). An emphasis is placed, inter alia, on support when setting up multi-criteria evaluations and attention is also paid to a responsible approach to public procurement.

The **legislative process** is currently underway **in relation to the amendment to the PPA** with a planned effective date of 1.7.2021. The amendment is primarily intended to react to minor reservations of the EC on the transposition of European directives and should also bring clarification of some provisions where interpretation problems have been noted in the course of application practice. The responsible authority of the PPA continuously organises **events within the framework of an Educational Programme** aimed at strengthening the expertise of users in the field of PP in relation to the rights and obligations of contracting authorities, suppliers and control bodies. Beyond the scope of the Education Programme, various educational and training events are carried out (e.g., the *EU Subsidies and PUBLIC PROCUREMENT* training campaigns organised by Eurocentres across the Czech Republic, a series of professional seminars for hospitals in the position of contracting authorities or the *Day with Public Procurement* event - a series of lectures focused on specific and topical institutes in the area of PP). In 2019, a training module was launched for PP auditors, and training sessions are being conducted with staff from the Centre for Regional Development. At the same time, in response to the COVID 19 pandemic, the PPA responsible authority published a series of methodological materials on emergency procurement, which should help contracting authorities to solve problems with completely different conditions, but also to help them deal with similar situations in the future as a preventive measure. The PPA responsible authority also started training on online procurement entry (3 times a week), including the topic "How to procure in a state of emergency (COVID-19)".

National Investment Plan

The first version of the National Investment Plan (NIP) was submitted to the Government for discussion on 16.12.2019 - it is a document which in its first part contains a summary of the principles and assumptions on which the NIP is based. The MoRD was tasked with further updating and prioritising the NIP. In connection with this task and following the Government's programme declaration, the MoRD is implementing a number of activities, such as creating software for the continuous collection of investment needs of the territory, analysing existing methodological documents and good foreign practice, which it synthesises. The MoRD continuously updates the investment potential of the Czech Republic.

The NIP showed a low readiness of projects, a low share of digital, green and SMART CITY projects and at the same time the low interest of investors in the implementation of PPP projects. We have decided to resolve these issues through the "Systemic Support for Public Investments" component,

which is aimed at financial support for the preparation of projects, both those targeting grant financing and PPP financing. The aim is to help increase the share of prepared projects in the NIP, to increase the share of private capital involvement in financing public investments, but also to support projects that are digital, green and SMART. The NR Plan component also has the ambition to contribute to improving the effectiveness of public investment through the better execution of project preparation targeting the supported objectives. Last, but not least, the objective of the component is extensive methodological work to create a framework for key investment topics such as digitisation, green transition, but also the pressure on efficiency or the aforementioned PPP financing model and training activities throughout the Czech Republic so that public investors are better prepared for the new challenges of Europe.

In May 2021, the MoRD launched software (the specific name is the Information System of Project Plans, ISPP), through which individual public investors can continuously enter their investment needs as they arise. All projects with investment expenditures above CZK 50 million will automatically be copied from the ISPP without any filtering into the NIP (it is a completely apolitical set of the absorption capacity of the Czech Republic). The ISPP collects basic information on projects such as their size, motive for implementation, location, information indicating the level of readiness, etc. Updating the NIP will therefore take place continuously, only in the case of the issuing of a printed version of the NIP will individual public investors be asked to check whether all the data entered are up-to-date, or that no project currently requested/resolved/prepared is missing from the ISPP. Projects in the NIP will of course be further analysed, but not approved. Selected information on projects in the ISPP (or NIP) will be published on the MoRD website on an ongoing basis.

Changes in insolvency act and preventive restructuring

There are also some **major changes in the area of the insolvency act and preventive restructuring** related to the transposition of Directive (EU) 2019/1023 of the European Parliament and of the Council on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (the Restructuring and Insolvency Directive) to support entrepreneurship. In autumn 2020, the Government already approved a bill amending Act No.182/2006 Coll., on Bankruptcy and its Resolution (the Insolvency Act), which partially transposes the Directive. This act should introduce a **new 3-year debt settlement regime**, also accessible in full for self-employed individuals, with effect from 1.7.2021. This should give trade license holders the opportunity to get their business back on its feet in a relatively short time. The Ministry of Justice intends to present the remaining parts of the Directive, which mainly concern the issue of preventive restructuring, in the first half of 2021. It should be a separate regulation, a **new Act on Preventive Restructuring**.

The fight against corruption

Within the framework of the fight against corruption, which is coordinated on the government level by the Ministry of Justice, the **implementation of the Government's Concept for the Fight against Corruption for the years 2018 to 2022** will continue, which will be implemented through the **Action Plan for the Fight against Corruption for the years 2021 and 2022**. It contains specific anti-corruption measures organised into individual priority areas: an efficient and independent executive, transparency and open access to information, efficient use of state property and the development of a civil society. One of the most important measures to be implemented in 2021 is the acceptance of the **Whistleblower Protection Act proposal and the proposed act amending certain acts in connection with the adoption of the Whistleblower Protection Act**, which, following their approval

by the Government on 1.2.2021, continue to be debated in Parliament. These acts will ensure the transposition of **Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law** into the legal order of the Czech Republic. The Ministry of Justice will provide education for the business sector before the act comes into force.

Public administration

The **Strategic Framework for the Development of Public Administration in the Czech Republic for the period 2014 - 2020** (SFDPA) is a basic document defining the development of the public administration (PA) and eGovernment until the end of 2020. During the course of 2020, the implementation of specific objectives and measures specified in the **Implementation Plans for the SFDPA** was ongoing; in accordance with the implementation conditions, some projects and measures will continue until 2023; subsequently, an evaluation of the implementation of the SFDPA will be carried out.

During the course of 2019, the new conceptual material **Client-Oriented Public Administration 2030** (which builds on the SFDPA), including an implementing **Action Plan for 2021 - 2023**, was developed and approved by the Government in May 2020. An **updated PA measurement and evaluation system** was also approved by the Government in July 2020. The **Methodology for the Determination of Overhead Costs of State Administration** has been amended and will become a practical guide for the preliminary assessment of the costs of the state administration generated by the newly-prepared legislation (approved by the Government in July 2020).

In June 2021, the **Annual Report on the State of Public Administration for 2020**, which describes the current state of public administration and focus on selected topical issues, will be submitted to the Government. In 2021, another run of the Zastupitel (Representative) training programme for elected representatives of towns and municipalities will take place in course III. Following the completion of the legislative process of the Act on the Territorial Administrative Division of the State, all relevant entities were informed about its impacts, which will gradually accumulate. There are plans to elaborate the performance financing in relation to other agendas of the PA, carried out under delegated competence. **Work is also continuing on the analysis of the legal order of the Czech Republic in order to identify (and subsequently repeal) obsolete legal regulations**, and the use of the easy-to-read methodology will be developed at both levels of the PA. Since 2018, the Czech Republic has been implementing the **Education of public administration employees and promotion of eGovernment activities** project. This project is aimed at increasing the citizens' awareness of the existence of modern eGovernment tools, orientation in e-government, understanding of the functioning of individual tools and assurance of their security. The **Support for the Computerisation of Selected Areas of the Public Administration** project focuses on the digitisation of specific agendas (elections, registry or accreditation of educational programmes).

The vision of the new conceptual material **Client-Oriented Public Administration 2030** mentioned above is to achieve a public administration in 2030 that will be maximally client-oriented and will create conditions for the further improvement of the quality of life of the population and growth of prosperity in the Czech Republic. The vision is elaborated in five strategic objectives aimed at achieving a substantive shift in specific areas of the functioning of the PA. In the first three years, these strategic objectives will be implemented on the basis of the **Action Plan for 2021-2023**. One of the objectives is to improve the mutual coordination and management of the PA. On the basis of an analysis of best practices abroad and an analysis of competences, a **new Competence Act** will be prepared if this proves to be the optimal solution. The response to the high fragmentation of local self-

government units will also be to **strengthen cooperation between individual municipalities in the administrative districts** of municipalities with extended competence.

Evidence-informed decision-making will be strengthened, and a systemic approach to innovation will be introduced through an innovation laboratory, which will include motivational training programmes, created networks of innovation actors, etc. Communication with the public and the citizens' participation in decision-making processes will also be improved, and the professional competences of elected representatives, local government officials and civil servants will continue to be improved. The concept also enshrines some areas that are being continuously improved in the Czech Republic.

In accordance with the needs of the public administration and the concept of Client-Oriented Public Administration 2030, in 2021 the strategic management and planning, which the EC believes the Czech Republic is still struggling with (in 2020-2023, the MoRD envisages fulfilling this objective through the project "Support for Strategic Management and Planning in Public Administration" supported by OP E) will be improved. Furthermore, the MoRD will ensure:

- the development and implementation of methods and tools, innovations in strategic work and overall improvement of the strategic management environment, including supplementing the Methodology for the Preparation of Public Strategies with relevant user-friendly templates,
- the development of the Strategy Database system, including its wider use (enabling the creation and evaluation of strategic documents directly in the unified environment of the Database),
- the improvement of relevant education in the public administration (the acquisition of necessary knowledge), including the further development of the STRATeduka programme (accredited in 2020),
- methodological and technical support for municipalities in creating a municipal development programme through the ObcePRO application.

The aforementioned measures and strategic documents of the Czech Republic for the area of the public administration reflect specific recommendations of the Council over the last few years in the area of digital transformation, strengthening institutions at the sub-national level or reducing the administrative burden.

Implementation of the Civil Service Act

The implementation of **the Civil Service Act** continued during the course of 2020, when three partial amendments to the Civil Service Act were prepared. These were **Act No. 205/2020 Coll.**, amending Act No. 258/2000 Coll., on the Protection of Public Health and on amending certain related acts, as later amended, and other related acts, **Act No. 285/2020 Coll.**, amending Act No. 262/2006 Coll., the Labour Code, as later amended, and some other related acts, and **Act No. 484/2020 Coll.**, amending Act No. 218/2000 Coll., **on Budgetary Rules** and on amending some related acts (budgetary rules), as later amended, and other related acts. The aforementioned amendments focused, for example, on the **extension of the grounds for transfer to another post** if a civil servant cannot perform the service in his/her current post, a response to the amendment to the Labour Code or the **amendment to the change of the systematisation**, where the amendment **changes the powers to approve changes to the systematisation** and some provisions related to the systematisation, while it is still generally the case that the change of systematisation is approved by the Government. However, it is now specified that in less important cases the change of systematisation must be approved by the Ministry of the Interior in agreement with the Ministry of Finance. On the basis of an analysis of the **existing civil service regulation, a more extensive amendment to the Civil Service Act is currently being prepared.**

At the same time, service regulations and methodological instructions setting out the sub-processes of the civil service were issued during the year. In this context, the **service regulation** of the Deputy Minister of the Interior for the civil service **no. 1/2020** of 12.3.2020, which sets **out the procedure for establishing examination commissions**, and the service regulation of the Deputy Minister of the Interior for the civil service **no. 2/2020** of 25.6.2020, which amends the service regulation of the Deputy Minister of the Interior for the civil service **no. 3/2017** laying **down the rules for the submission of the systematisation of posts and posts, amendments, modifications and updates thereto, and proposals for the organisational structure and amendments thereto in the service office**, as amended by the service regulation of the Deputy Minister of the Interior for the civil service no. 2/2018. Also, the **aid for calculating the result of the service evaluation** was updated in the service regulation of the Deputy Minister of the Interior for the civil service no.1/2019 of 27.2.2019, which establishes the procedure for conducting the service evaluation of civil servants. In connection with the ongoing implementation of the Civil Service Act, the **methodological instruction** of the Deputy Minister of the Interior for the civil service **no. 1/2017** **laying down details on the conduct and organisation of the civil service examination** was also updated as of 6.4.2020, and the **methodological instruction** of the Deputy Minister of the Interior for the civil service **no. 1/2020** **laying down details on the termination of service** was prepared. Last, but not least, the **Annual Report on the Civil Service for 2019** was prepared in connection with the implementation of the Civil Service Act.

Following the crisis measures to prevent the spread of the COVID-19 disease, **recommendations** are issued by **the Deputy Minister of the Interior for the civil service to implement the resolution of the Government of the Czech Republic on the adoption of crisis measures** aimed at responding to the current epidemiological situation with an emphasis on maintaining the functioning of the civil service and its individual processes.

Regulatory Impact Assessment (RIA)

A Regulatory Impact Assessment (RIA) is an internationally-recognised tool for improving the quality of legislation and is also the preferred tool used by the European Commission. In practice, it has been shown that RIAs are still formally processed and the review of the effectiveness of regulation (ex post RIA) is almost neglected. In 2021, the OG (LCG Section) plans to implement a uniform and systematic processing of reviews. At the same time, methodological and coordination assistance for ex post RIA preparers in the form of a methodological manual and training will be provided by the responsible authority.

3.5 Research, development and innovation

In the area of research, development and innovation, the Czech Republic will continue to **implement the Innovation Strategy of the Czech Republic 2019-2030** (IS 2019+), which includes a plan to improve the entire innovation system from strategic management through education and research to monitoring the latest trends and the development of digital and other modern technologies and skills.

The strategic framework for the development of all components of research, development and innovation in the Czech Republic is the National Policy on Research, Development and Innovation 2021+ (National R&D&I Policy 2021+), approved by the Government in July 2020. The vision of the National R&D&I Policy 2021+ together with IS 2019+ is to become a dynamic innovative society (with the aim of advancing the Czech Republic from the Moderate Innovators group to the Innovation Leaders group). The National R&D&I Policy 2021+ in the structure of IS 2019+ represents one of the tools for meeting the objectives in the Financing and Evaluation of Research and Development pillar.

Another important document that regulates the issue of R&D&I is the Czech National Research and Innovation Strategy for Intelligent Specialisation for 2021-2027 (the National RIS3 Strategy), which was approved by the Government on 25.1.2021. The document is in accordance with the global trend to see the current disruptive changes as opportunities to increase competitiveness and achieve a better quality of life. In this respect, the National RIS3 Strategy builds on IS CR 2019+ and fundamentally helps to fulfil its goal of becoming an innovation leader of Europe and the countries of the technological future. The strategy is also closely linked to the National R&D&I Policy 2021+.

As part of the preparation of the final draft of the **National Recovery Plan**, two working groups under the Research, Development and Innovation Council were established in September 2020 to work continuously on proposals for two components in the area of industrial applied research and research in priority areas of public interest in the healthcare sector, including the areas of infectious diseases, cancer research, research on metabolic disorders and cardiovascular diseases, including research on the socio-economic impact of diseases on society.

The legislative framework in the area of research, development and innovation is provided by Act No. 130/2002 Coll., on Support for Research, Experimental Development and Innovation from Public Funds, and on amendments to certain related acts (The Act on Support for Research, Experimental Development and Innovation), as amended. An extensive amendment to the Act has been prepared, which should particularly bring a more effective support for innovation, an extension of non-subsidy instruments to support research, development and innovation, simplification and increased flexibility of the support system, etc. The amendment to the act was approved by the Government in December 2020. The debate of the amendment to the Act is currently scheduled for its first reading on the agenda of the 104th meeting of the CDP (from 25.5.2021) as document 1118/0.

In order to **support the commercialisation of R&D&I results and increase the innovation capacity of domestic enterprises**, the applied research programme **TREND (2020-2027)** is being implemented. The programme counts on an allocation of CZK 10 billion, is implemented by TA CR and its main objective is to increase the international competitiveness of companies by expanding their markets abroad, penetrating new markets or moving up in global value chains. In addition to support for established companies that have been carrying out long-term activities in R&D&I, where the main emphasis is on the development of international competitiveness, the programme specifically targets companies that have not yet carried out independent activities in R&D&I, especially small and medium-sized start-ups. The programme also supports cooperation with research organisations, especially for start-ups, as a condition for participation in the programme. In 2021, it is expected that

further calls for proposals will be announced to receive projects for support in both main activities of the programme.

The **Operational Programme Technologies and Application for Competitiveness (OP TAC)**, which is a continuation of the Operational Programme Enterprise and Innovations for Competitiveness (OP EIC), will focus on **supporting Czech businesses from EU funds** in the 2021-2027 programming period. The approved amount of the OP TAC allocation by the Government of the Czech Republic for the planned activities is CZK 79.3 billion (CZK 81.5 billion including technical assistance). The managing authority of the OP TAC is the Ministry of Industry and Trade (MIT). The OP TAC is expected to be approved by the Government of the Czech Republic during September 2021. It will then be possible to start formal negotiations with the European Commission for its approval and to announce the first calls.

The Technology Agency of the Czech Republic (TA CR) is implementing the **National Centres of Competence (2018-2026)** programme to support long-term **cooperation** between the **research and application spheres**. The aim of the programme is to increase the efficiency and quality of the results of applied research and technology transfer in key fields, to increase the competitiveness of enterprises and to strengthen the excellence of research organisations. The total expenditure of the programme from the state budget amounts to CZK 7184 million. In order to **support** projects aimed at **verifying the use of R&D results in practice** and thus assisting subsequent **commercialisation**, the TA CR is implementing the **GAMA 2 (2020-2022)** programme. The programme helps to stimulate innovation in the application sphere by using R&D results generated with the support of public resources in the research area. The programme is divided into two sub-programmes - sub-programme 1 and sub-programme 2, with different activities and beneficiaries of support. TA CR is also the implementing agency for three ministerial programmes. In addition to the above-mentioned TREND programme, it is the **Environment for Life (2020-2026)** programme, whose main objective is to bring **new solutions** in the field of the environment, to stabilise and expand the knowledge base, which will significantly contribute to ensuring a healthy and **high-quality environment** not only in the Czech Republic, but also to **improving the quality of life** in Europe and in the global context by minimising the negative impacts of human activity on the environment. The programme will launch its fifth public competition this year. In order to support the **modernisation of the transport sector** with regard to sustainability, safety and societal needs, the departmental programme **DOPRAVA (TRANSPORT) 2020+ (2020-2026)** is being implemented. The programme is dedicated to supporting applied research projects whose results have a high potential for further application in new approaches, technologies and services leading to enhanced social and economic **benefits of transport**. The programme also focuses on the priorities identified in the **National RIS3 strategy**. The economic specialisation of the programme focuses on the **aerospace industry**, among others. Particular emphasis is placed on **strengthening cooperation** between the research, academic and private sectors. The total expenditure of the programme from the state budget amounts to CZK 1.95 billion. In 2021, the third public competition of the TRANSPORT 2020+ programme is planned to be launched. TA CR is also preparing the **SIGMA** framework programme, which is conceived as a **broadly-focused instrument to support applied research and innovation**.

In order to **support innovative enterprises** and at the same time to develop cooperation between the business sector and domestic research institutions and universities, **The Country for the Future (2020-2027)** programme is being implemented with an allocation of CZK 6.1 billion. The programme is based on three pillars: 1. Development of the innovation environment through a comprehensive offer of services of technological innovation centres; 2. Development of activities complementary to the Digital Europe programme in line with the Digital Czech Republic strategy, including Digital Innovation Hubs and other necessary infrastructure projects; 3. Supporting the introduction of process,

product and organisational innovation in SMEs to facilitate digitisation, robotics, automation and the promotion of innovation in companies in accordance with defined Industry 4.0 standards. In 2021, the first technology incubation centres are expected to be launched and competitions for projects to be supported in the remaining two pillars of the programme will be announced.

In 2021, another cycle of the **international peer-review evaluation of large research infrastructures in the Czech Republic** will take place under the auspices of the MEYS. Its subject will be an interim evaluation of large research infrastructures that have been approved by the Government of the Czech Republic to provide support from public funds of the Czech Republic for the period until 2022. The evaluation procedure will also focus on the ex-ante evaluation of new proposals for large research infrastructures, which will be submitted to the evaluation process in order to reflect the outputs of the so-called "landscape/gap" analysis of the landscape of large research infrastructures in the Czech Republic, identifying "gaps" in this landscape, i.e., unaddressed topics related to significant challenges of research or of a socio-economic dimension. The purpose of the international peer-review evaluation will be to provide independent expert evidence for an informed policy decision by the Czech Government on the support of large research infrastructures from public funds in the Czech Republic between 2023 and 2029. Following the approval of large research infrastructures by the Government of the Czech Republic for financing during the next multiannual financial period, the MEYS will also update the **Roadmap of Large Research Infrastructures of the Czech Republic** in 2023. The Roadmap of Large Research Infrastructures of the Czech Republic is a strategic document of the Czech Republic presenting the concept of large research infrastructures. In an international context, the Roadmap of Large Research Infrastructures of the Czech Republic is equivalent to the Roadmap of the European Strategy Forum on Research Infrastructures (ESFRI), i.e., the Czech Republic's contribution to the landscape of research infrastructures constructed and operated in Europe and worldwide.

In 2020, the first ever cycle of evaluation of research organisations in the university segment took place according to the new Methodology for the Evaluation of Research Organisations and Evaluation of Programmes of Special Purpose Support for Research, Development and Innovation (M17+) in all five evaluation modules. A total of 30 universities are evaluated by the provider this year in modules 3-5 (Social Relevance, Viability, Strategy and Concept). More than 260 evaluators from 37 countries are involved in this evaluation.

The support of oriented research is still significantly devoted to the OP RDE coordinated by the MEYS, which supports this area through projects aimed at improving the conditions for quality and cutting-edge research in the Czech Republic, the development of a quality and motivating environment at research organisations, the development of research teams and the necessary research infrastructure, as well as the building and development of cooperation between the academic and application spheres, knowledge and technology transfer, the development of human resources in R&D and the development of internationalisation. At the same time, the new programming period is being intensively prepared and with it the Operational Programme Jan Amos Komenský (OP JAK), which responds to the Specific Recommendations of the Council for the Czech Republic, will significantly target the weak points of R&D&I in the Czech Republic identified in strategic documents at the national and European level and will also build on the existing operational programme.

Support for applied research and development for the needs of industry in the field of R&D&I is also addressed by OP EIC, whose selected activities focus on the development of corporate research, development and innovation capacities for the development of entrepreneurship and innovation. OP EIC will be followed in the new programming period by OP TAC, which will focus on the implementation of research and innovation activities primarily in small and medium enterprises.

Support in the field of R&D&I will be aimed, inter alia, at the implementation of business research and innovation, the introduction of research and development results in the form of innovations into business practice, the development of knowledge transfer, the building and development of innovation infrastructure such as digital innovation hubs or technology centres that provide services to innovative enterprises with an emphasis on innovation close to the market.

Space activities

In view of the growing importance of space activities for the individual sectors of the national economy, the Government continues to work closely with the European Space Agency (ESA) and the European GNSS Agency²⁷ (GSA) with the objective of increasing the technological level of Czech industry and its competitiveness. The GSA, based in Prague, will be transformed **into the EU Agency for the Space Programme (EUSPA) from 2021** and its remit will be extended to cover other elements of the EU Space Programme. The Czech Republic is taking steps to ensure the smooth transition of the Agency and is seeking to increase its EU funding.

The **ESA programmes** represent a unique opportunity for Czech companies and academic institutions to participate in European space projects, but also to obtain an additional source of financing and expertise to develop their technological capacities and competences. More than 70 industrial and academic subjects from the Czech Republic are currently participating in these programmes. Even companies not yet involved in space technologies and applications can take advantage of ESA programmes to expand their portfolio of activities and areas of focus. This option is particularly advantageous for companies in the aerospace, automotive or other sectors that are technologically highly advanced but are currently facing a lack of sales.

To this end, it is necessary to secure long-term funding for ESA programmes and the *Framework Project to Implement the Support that ESA will Provide to Space-Related Activities in the Czech Republic* and to consider increasing the level of funding at the ESA Ministerial Council in 2022.

²⁷ Global Navigation Satellite System.

3.6 Population health and resilience

For 2021, the revenues of the public health insurance system are estimated at CZK 391.6 billion, which is primarily due to a further increase in the payment for those insured by the state by CZK 200 from 1.1.2021. The expenditure side is determined by the **reimbursement decree** for 2021, which is based on conciliation agreements in all non-inpatient segments and sets a sufficient increase in reimbursement for hospitals and after-care to cover a 10% **increase in salary tariffs** for health professionals in 2021. The public health insurance system continues to count on spending on COVID-19, which now also includes universal vaccination and testing for COVID in companies, and the total cost is estimated at CZK 419.3 billion this year, implying a negative balance of CZK 27.6 billion, which will again be covered by insurance company balances

The main reform in the area of financing is a **change in the reimbursement of acute inpatient care** in 2020 and 2021 using the newly developed **CZ-DRG** (*Diagnoses Related Group*) classification system. In 2020, the new system will be piloted for about 0.2% of hospitalised cases and the DRG markers, which determine the classification of cases in the new system, will be reported across the board. The aim of the pilot project in 2020 was to test the functionality of the classification and to prepare hospitals for the start of the new system in 2021. Due to the success of the pilot project and the further development of the system, it was decided to implement reimbursement according to the CZ-DRG for 2021. The CZ-DRG system replaces the existing IR-DRG system as of 1.1.2021. The exact form of the CZ-DRG implementation is specified in the framework of the reimbursement decree for 2021 (Decree No. 428/2020 Coll.). The system provides an essential basis for modelling public expenditure on the provision of acute inpatient care.

As of 2021, **all acute inpatient care will be reported in CZ-DRG** and 44% of care will be reimbursed through a change in the reimbursement mechanism to uncapped reimbursement, as well as a **convergence of base rates** (unit reimbursement) between hospitals and insurance companies. The financial impact of rate convergence is spread over 2 years for underfunded hospitals and 3 years for high-rate hospitals, with convergence complemented by a risk-corridor system that prevents full convergence and accounts for cost heterogeneity. This radical change in funding will mean a substantial increase in reimbursement for underfunded hospitals by up to 20% year-on-year and the culmination of five years of development of the new system. The cost of changing the system is estimated at CZK 1.6 billion for 2021. The result of the reform should be a major streamlining and straightening of the system, increased transparency and benchmarking, and ultimately increased access to care for patients.

The National Health Information System remains a key element in assessing the **performance and resilience of the health system** and has been undergoing significant improvement and streamlining over the long term. The production process for major new registries is gradually being optimised: The National Register of Covered Health Services and the National Register of Health Professionals. In 2020, the Infectious Diseases Information System was significantly strengthened and expanded, thus becoming a key part of the information base for the response to the COVID-19 epidemic, which currently represents a priority challenge to the resilience of the health system in the Czech Republic.

Primary care reform is currently focused on relaxing further prescribing restrictions for certain types of medicines for GPs, which is one way to manage chronic disease management in GP practices.

In the past period, the final form of the network of type I and II emergency rooms was published, and in the next phase their construction and modernisation will be supported, including the necessary

facilities for emergency medical services (approximately 1 for each district). Emergency admissions will also be newly enshrined in healthcare legislation, and a proposal to amend the Health Services Act has been submitted. The financing of health care in emergency admissions for the coming period has been resolved with the health insurance companies. The functioning network of type I and II emergency admissions, which will in the future also provide emergency medical services, is a significant step towards improving access to primary care for all patients. As part of the adherence to the recommended procedures during the COVID-19 epidemic (in particular the limitation of direct personal contacts), a form of providing consultation services via remote access (telephone consultations, internet, Skype, etc.) was used to a large extent. In addition to the use of e-prescription and e-sick leave, other new elements have been introduced into GP practices to support the availability of GPs, contribute to the better use of surgery hours and reduce the number of personal visits by patients to GP surgeries. A proposal has been made to introduce these new elements into healthcare legislation (the Health Services Act).

Secondary prevention (screening/early detection of disease) is an important part of the **effectiveness of the healthcare system** in the long run. Within the framework of this activity, the National Screening Centre (NSC) was established, which is an organisational component of the Institute of IHIS CR. The aim of the NSC is to build a methodological and personnel background for the introduction, implementation and evaluation of screening programmes in the Czech Republic. As part of its activities, the NSC evaluates existing organised cancer screening programmes, implements 11 pilot projects for early detection of diseases and provides an analytical and methodological basis for the introduction of new screening programmes (e.g., early detection of lung cancer or early detection of SMA and SCID in new-borns). The objective for the next period is to support the implementation of rational programmes for early detection and search for diseases and risk factors and to strengthen this role of the NSC in the field of early detection of cancer, congenital diseases in new-borns and other diseases of societal importance. A population-based pilot project for the early detection of lung cancer in high-risk individuals is currently underway and will be implemented.

Centres of highly-specialised oncological care (CHSOCs) play an important role in cancer prevention. In 2019, a new call for applications for the status of a centre of highly-specialised oncological care was announced pursuant to Act No. 372/2011 Coll., on Healthcare Services and Conditions of their Provision. All existing CHSOCs were granted the status for another 5 years, i.e., until the year 2024. All methods of primary and secondary prevention of cervical cancer are available in the Czech Republic. Measures introduced in this area include, for example, paid HPV vaccination for 13-year-olds and the availability of highly sensitive tests to detect HPV infections. Preventive HPV DNA tests for all women over 35 and 45 years of age will be covered from public health insurance. The Czech Republic is one of the countries that comply with all EU and World Health Organisation (WHO) recommendations in this area of healthcare. Furthermore, in 2020, the age limit for the detection of occult bleeding in the stool with a special test was lowered from 55 to 50 years of age as part of preventive examinations at a registered general practitioner. This measure will contribute to the early detection of colorectal cancer. The future priorities for the Cancer Plan are currently being refined, following the Europe's Beating Cancer Plan. The basic pillars include prevention (including vaccination, primary care and health literacy), early detection of cancer (screening and early detection of cancer), cancer care (development of oncological care network (comprehensive oncological centres, centres of highly-specialised oncological care, regional oncological groups), available modern technologies), quality of life of patients and their caregivers (strengthening of supportive and palliative care, patient organisations and the role of informal carers) and other cross-cutting priority areas (digitisation and sharing of health records, development of NHSIS with a focus on monitoring and evaluation of the cancer programme, new technologies, research and innovation, reducing inequalities, childhood cancer and sustainable financing and non-financial resources).

As part of the prevention of COVID-19, it will also be useful to focus on the relationship between air pollution and its effect on exacerbating the course of the disease or facilitating its transmission. A further reduction of air pollution should be prioritised not only in relation to meeting environmental objectives, but also in relation to protecting human health (it is estimated that approximately 4500 people die prematurely each year in the Czech Republic due to excessive air pollution) and in relation to preventing COVID-19. The EC plans to tighten the current valid outdoor air target limits based on the ongoing revision of the WHO guideline values. It can be assumed that the effect of air pollution on COVID-19 will also be taken into account when setting new target limits. The Czech Republic will therefore have to prepare further strategies to reduce air pollution and ensure their implementation in practice.

The creation and implementation of **e-health** tools that will ensure more efficient and faster communication between the actors of the healthcare system (patients, healthcare providers, insurance companies) is a long-term priority of the Ministry of Health. The ePrescription system has been in routine operation since July 2017, and the shared patient medication record function has been in operation since 1.6.2020. The MH is substantially involved in discussions on the use of computerisation tools in the fight against the COVID-19 pandemic. It supports the use of digital technologies. A system called Smart Quarantine and the eRouška tracking app were created to help health officials more easily track down people who may have come into contact with the disease. In connection with the development of mobile applications used in the Czech Republic, it follows the EC guidelines, actively participates in the eHealth Network meetings and participates in activities related to the involvement of digital solutions. From the perspective of healthcare crisis preparedness, digitalisation is a key area for crisis planning and response, including the ability to manage pandemics and cybersecurity incidents in healthcare providers. The Czech Republic is also actively involved in the preparation of EU investment programmes, e.g., through the RRF, which will be implemented through the implementation of the NR Plan that should help EU countries recover from the effects of the pandemic and support investment in the green and digital transformation of the European economy. The computerisation of selected public administration services, the introduction of e-health services, the increase in the level of interoperability and standardisation of information systems, the completion of the necessary infrastructure, and the increase in the security and availability of public administration information and communication systems through the introduction of technical measures in accordance with the Cybersecurity Act will also be supported through the Integrated Regional Operational Programme for the period of 2021-2027.

The NR Plan is challenging the healthcare sector through a coordinated digital transformation serving to reform healthcare services, accessed through newly implemented digital services. A major challenge is the standardisation of the exchange of medical records and their implementation in practice. The Czech Republic must build shared central services that will provide and link data from the central data pool of the CR and simplify the more efficient use of state-funded healthcare services by end-users. One of the pillars in the NR Plan is Digital Transformation, which includes the Digital Services to Citizens and Businesses and Digital Systems components. eHealth is part of this. Digital transformation is a key EU priority for all Member States. The Digital Transformation pillar of the NR Plan includes part of the proposed projects, about 14 reform investments/project plans for the area of computerisation of healthcare under the responsibility of the Ministry of Health in the amount of CZK 4 billion with an expected implementation schedule by the end of 2025. The key reform investments included key project plans, e.g., to ensure absorption capacity, namely the long-term prepared programme of support for the management of the development of computerisation through the National Centre for eHealth, support for the development of digital transformation in healthcare - the interoperability, creation and implementation of digital services in healthcare and creation of a catalogue of services, portal solutions for eHealth, support for projects for innovative technologies in

healthcare - telemedicine, secondary use of health data. Other supported reform investments include the building and development of systems supporting the computerisation of healthcare, e.g., development of the ministerial infrastructure of eHealth, development of the technological platform of the National Health Information System, development of the information system to support the management of the health service - the Regional Hygienic Station Information System, extension of the existing functionality of ePrescriptions, building infrastructure to support the system of care for patients with rare diseases and provision of professional capacities; support for the provision of training programmes to expand the use of eHealth and digital services in the health sector, aimed primarily at healthcare staff, as well as support for a cybersecurity programme for health service providers (in Prague) leading to an increase in the level of cybersecurity among health service providers.

In the coming period, the health-social boundary will also need to be addressed. In order to **propose a conceptual solution to the disunity and separation of health and social care delivery systems**, the Ministry of Health has developed an implementation plan for strategic objective *2.1 Implementation of integrated care models, integration of health and social care, and mental health care reform* within the Strategic Framework for Healthcare Development in the Czech Republic until 2030, which includes 15 sub-objectives covering the areas of providing health and social care in one complex according to the individual needs of patients/clients, support for patient organisations and mental health care reform. With regard to the need to link health and social care, the measures in sub-objectives 2.1.1 to 2.1.9 focus on addressing the issue at the state and regional level and also address specific areas where the health and social care complex needs to be implemented. Attention is also paid to integrated oncological, perinatalogical and gerontological care and the cultivation of health and social services for patients with rare diseases. The measures in these sub-objectives focus on the creation of models of integrated care and new coordination structures in the system of integrated health and social care on the state and regional level, where the output will be a standardised system for the coordination of health and social care links, which will be verified and further developed by a pilot project in the regions, strengthening the role of the general practitioner in the integrated care of patients, the coordination of services provided to patients in their own social environment, the creation of a map of the need for integrated health and social services, the development of a standard including requirements for the creation of compatible tools for data sharing in integrated health and social services, the acquisition of data from feedback from all actors in integrated health and social services, etc.

4 Impact of the COVID-19 pandemic on the fulfilment of selected Sustainable Development Goals in the Czech Republic

According to the first *Report on the Implementation of the 2030 Agenda for Sustainable Development in the Czech Republic*, 8 of the 17 Sustainable Development Goals (SDGs) are being met, 8 are not showing sufficient progress or do not have sufficient data on the impact and success of the actions taken, and in one case - gender equality - the result is poor. The impact of the COVID-19 pandemic shows the weaknesses and shortcomings identified in the Report in an even sharper light and relativises the achievements to date.

As a result of the pandemic measures, decent work and economic growth (SDG 8) have been significantly affected. The intervention programmes have succeeded in significantly cushioning the employment and labour market impacts. In the fourth quarter of 2020, the unemployment rate was still low (3.1%), mainly thanks to the Antivirus programme, which supported almost a quarter of private sector employees and about a fifth of firms. The most supported sectors due to the direct effects of the lockdown are wholesale and retail trade, accommodation and hospitality, followed by industry due to the fall in demand. In services, employment fell mainly in transport and storage, hospitality and the cultural, entertainment and recreation sections. Almost 90% of the total number of workers in the hospitality, accommodation and catering sectors felt a negative impact on their work performance. The complicated situation on the labour market during the pandemic is not only reflected in a reduction in the total number of workers.

The impact on total economic output (GDP) is significant. According to a preliminary estimate, the annual decline in GDP will reach 5.6% in 2020. The decline in gross value added reached 5.4%, primarily due to the trade, transport, accommodation and industry sectors. The overall impact on the national debt is expected to be very high. According to the MF, the deficit of the general Government sector in 2020 will reach about 6.2% of the GDP annually and the total debt will rise to 38.1% of the GDP. Given the expectation of a full-fledged renewal in 2023 at the earliest, this will also not be a one-off shock.

The impact on industry and infrastructure (SDG 9) is also significant. The stability of the infrastructure was relatively robust and there were no widespread failures in functionality or availability of services. However, the fundamental problem was the limitation of mobility and the transport sector and the drastic drop in foreign demand in the second quarter of 2020. In particular, the transport of goods has already dropped significantly in the first wave of the pandemic, among other reasons due to border closures. Industrial production fell by 7.2% year-on-year. The industry has maintained its overall employment and functionality thanks to sanitation measures and intervention programmes, but unlike other sectors, its nature has prevented it from fully exploiting the potential of home-based work.

Therefore, we can also expect a disruption of the still favourable trend in the income inequality rate (SDG 10) and the risk of poverty (SDG 1), which were still showing stable and relatively good results in 2019. After a slight decline during 2020, average wages subsequently rose by 3.8% in real terms in the fourth quarter. The general unemployment rate, although still at low levels, is on more of an upward trend. In particular, working citizens affected by the Government measures, who receive only a certain portion of their wages, are at risk of increasing their exposure to poverty. The formal measure of income poverty, which is based on the income level of society as a whole, may decline as a result of rising unemployment, falling wages and deteriorating living standards. Furthermore, income

disparities between regions are widening, but will now have an even greater impact on other areas such as the labour market or access to education.

In terms of health impacts (SDG 3), due to safety concerns and constraints, there has been reduced attention on other diseases that are or can be fatal but are also treatable - e.g., neoplasms, tuberculosis, myocardial infarctions or strokes. Delaying preventive and follow-up examinations may lead to neglect of health conditions that will manifest themselves in the medium term. Furthermore, the mental health of the population as a whole is deteriorating, especially among younger people and women with young children. On the other hand, a positive benefit of COVID-19 is the improvement of air quality - cleaner air reduces the risk of virus transmission.

The major impacts in education (SDG 4) have been felt at all levels, with the widespread closure of educational institutions and the shift to distance learning. During distance learning, there is a reduction in the number of pupils with whom schools fail to have any contact and thus remain completely out of education. In April 2020, it was estimated that around 10,000 pupils were affected. Furthermore, there are approximately 200,000 pupils in the Czech Republic who want to participate in online learning, but due to technical difficulties cannot or do not participate regularly. Thus, school closures further increase educational inequalities and highlight the persistence of a strong correlation between a child's socio-economic background and educational outcomes. In many cases, schools were a safe zone for children who did not have educational facilities and support at home. The end of full-time education also has undesirable socialisation effects, especially on pupils in the first level of elementary school. The positive impact of the anti-virus measures can be seen in the growing awareness and the necessary need for good ICT skills not only among children, but also among adults. However, the shift of school education to distance learning in an online environment has raised a number of issues related to cybersecurity in education. The topic of cybersecurity has become quite crucial in relation to children.

Achieving gender equality (SDG 5) was the goal that the Czech Republic was furthest from achieving even before the COVID-19 pandemic. Not surprisingly, the blanket measures have had a disproportionate impact on women. As a result of restrictions on movement, there has been a significant increase in domestic violence, in which the victims are predominantly women. In the vast majority of cases, childcare, supplemented by online learning from home or care for other family members, is done by women as unpaid work. Women also face very significant impacts of COVID-19 in their working lives, where they make up a high proportion of healthcare and social service staff. On the other hand, a positive impact may be greater attention and openness in the area of work-life balance, which, for example, in the form of a *home office*, has been used by many employers since the spring. However, a prerequisite for using *home office* benefits is the availability of education and care services.

Cities and municipalities (SDG 11) lost their usual functions during the pandemic crisis. In most Czech cities, life has virtually come to a screeching halt. Crisis measures have led to a significant or complete reduction in the services of shops and institutions. Some public administration offices have significantly reduced their opening hours, closing down completely if there is evidence of infection in the workplace. In general, there has been a reduction in demand for public transport. In terms of waste management (SDG 12), there have been complications with the disposal of infectious waste from hospitals and an increase in the use of single-use plastics.

The limitation of foreign tourism during the pandemic had an ambivalent effect. On the one hand, emissions were reduced as a result of reduced air travel, but on the other hand, there was a significant influx of domestic tourists, especially in the summer months of 2020, who spent their holidays in the Czech Republic, to a large extent in mountain areas, including protected areas, as a substitute for the

inability to travel abroad. The winter season, on the other hand, meant a reduction in tourism with negative effects on the economy of mountain areas, which is also one of the manifestations of the impacts of COVID-19. The environmental impacts (SDGs 13 and 15) are difficult to assess at this time and will depend on the ability to effectively implement the NR Plan and engage the Modernisation Fund and JTF. Reducing emissions as a result of a reduction in industrial production and air transport and moving towards a low-carbon economy would not just be a short-term phenomenon, but a new trend.

We can also expect an increase in chemicals in the soil, not because of overfertilization, but from substances that enter the soil through irrigation. The increased use of water disinfection and chlorination and antibiotics used to treat lung and other complications caused by the COVID-19 disease, which has been occurring since the spring of 2020, will reach not only streams but also the soil in the form of residues of these substances. Impacts on soil organisms as well as indirect impacts on human health cannot yet be estimated. The positive news is that, given the fact that it rained heavily in the Czech Republic, the dilution of the streams has slowed down the deterioration of their chemical status.

There has been no major reversal in the area of governance (SDG 16). The primacy of the right to vote over epidemiological restrictions (elections on a predetermined date) and the obligation of the state to ensure the possibility of exercising this right were preserved. Democratic control of the processes (parliamentary control over the length of the state of emergency) and judicial control over the executive (the courts overturned government measures of various types and the government deferred to the decisions) remained. Some long-standing weaknesses remain, such as insufficient ex ante impact assessment or resortism. The availability or quality of the information on the basis of which anti-epidemic measures are taken also influences the degree of legitimacy of the measures taken. The COVID-19 epidemic has helped to intensify the process of digitalisation of the public administration, both in its internal workings and in the way it interacts with the public. The interest of the public in electronic contact with the public administration is evident (e.g., indicated by the increase in requests for data boxes for individuals).

The COVID-19 pandemic also has wide-ranging implications for global development. Already, most developing countries are falling into recession and facing a steep decline in private financial flows. Despite the targets set out in the 2030 Agenda, the number of people at risk of extreme poverty is expected to increase by up to 175 million globally. Within the framework of foreign development cooperation and humanitarian aid of the Czech Republic, the impact of the pandemic and related measures on existing projects has been monitored and continuously evaluated since the spring of 2020. In 2020, there was generally a temporary suspension or postponement of some activities requiring mass in-person participation, a shift of some activities (e.g., education) to the online space, and the addition of a specific module on the supply of protective equipment to partners and on awareness-raising in general. At the same time, projects directly aimed at responding to COVID-19 were also implemented in all priority countries of the FDC CR, not only in the area of health care, but also with a focus on broader social and economic impacts, including, for example, food security and malnutrition prevention, which continue in 2021. In total, up to CZK 250 million has been earmarked for this response by two Government Resolutions on the Humanitarian Response to the COVID-19 Pandemic in Non-African Priority Countries of the FDC and HA (Bosnia and Herzegovina, Georgia, Cambodia, Lebanon, Moldova, Myanmar, Ukraine) and on the Further Response to the COVID-19 Pandemic with a Focus on Africa (Government Resolutions nos. 407/2020 and 531/2020). The Czech Republic is financially and expertly involved in the EU's joint response to the pandemic under the banner of Team Europe. The Czech Republic has also contributed to the global response to the pandemic through international humanitarian organisations, including support for the global COVAX

mechanism aimed at equitable access to COVID-19 vaccination for all countries. In the interest in continuing with this international cooperation, which brings the Czech Republic not only a good reputation, but also new expertise and opportunities for Czech implementers, it is necessary to maintain stable funding for humanitarian and development activities.

Annex: Overview of strategic and conceptual documents of the Government related to NRP 2021

NRP chapter	Name of document	State of preparation	National coordinating authority
3.0 Structural reforms	Convergence Programme of the Czech Republic 2021	In preparation	MF
	Macroeconomic forecast of the Czech Republic - April 2021	Published	MF
	Budget Strategy of the Public Institutions Sector of the Czech Republic for the years 2021 to 2023	Approved	MF
	Budget Strategy of the Public Institutions Sector of the Czech Republic for the years 2022 to 2024	In preparation	MF
	Risks for financial stability and their indicators - December 2020	Published	CNB
	Financial Stability Report 2019/2020	Published	CNB
	Housing Concept of the Czech Republic 2021+	Approved	MoRD
	Social Housing Concept of the Czech Republic 2015 - 2025	Approved	MLSA
	Affordable Housing Concept of the Czech Republic 2020 - 2025 ²⁸	In preparation	MLSA
3.1 Digital Transformation	Digital Czech Republic programme: Information Strategy of the Czech Republic	Approved	MI
	Digital Czech Republic programme: Digital Economy and Society	Approved	MIT
	Digital Czech Republic programme: Czech Republic in Digital Europe	Approved	OG
	Implementation plans of the Digital Czech Republic programme	Approved	MI, MIT, OG
	Industry 4.0	Approved	MIT
	National e-Health Strategy of the Czech Republic 2016 - 2026	Approved	MH
	Action plan for the National e-Health Strategy of the Czech Republic 2016 - 2026	Approved	MH
	Strategy for the Computerisation of Public Procurement for the period of 2016 to 2020	In preparation	MoRD
	National Strategy for Artificial Intelligence in the Czech Republic	Approved	MIT

²⁸ Update of the document *Concept of Social Housing of the Czech Republic 2015 - 2025*

	Strategic Framework of National Cloud Computing - eGovernment cloud CR (2016)	Approved	MI
	Strategy for the development of spatial information infrastructure in the Czech Republic after 2020	In preparation	MI
	National Cybersecurity Strategy of the Czech Republic 2020 - 2025	Approved	NCISA
	Action Plan for the National Cybersecurity Strategy of the Czech Republic 2020 - 2025	Approved	NCISA
	National Action Plan for Smart Grids 2019 - 2030 (update of the National Plan for the Development of Next Generation Networks)	Approved	MIT
	Strategy of Development of Terrestrial Digital Television (2016)	Approved	MIT
	Action Plan 2.0 to implement non-subsidy measures to support the planning and construction of electronic communications networks (2019)	Approved	MIT
	Implementation and Development of 5G Networks in the Czech Republic	Approved	MIT
	National Plan for the Development of Very High-Capacity Networks	Approved	MIT
	Strategy for the Development and Support of Cultural and Creative Industries	In preparation	MC
3.2 Physical infrastructure and green transition	Transportation Policy of the Czech Republic for the period of 2021 – 2027 with a View to the Year 2050	Approved	MT
	Transport Sector Strategies - Phase 2	Approved ²⁹	MT
	National Clean Mobility Action Plan - 2020 update	Approved	MIT
	Programme for the Development of Fast Railway Connections in the Czech Republic	Approved	MT
	Plan of Train Transport Service of National Transport of the Czech Republic 2017 - 2021	Approved	MT
	Strategy for the Development of Intelligent Transport Systems 2021 - 2027 with a view to 2050	Approved	MT
	Vision of Development of Autonomous Mobility (2017)	Approved	MT
	Autonomous Driving Action Plan	In preparation	MT
	Action Plan on the Future of the Automotive Industry in the Czech Republic - Czech Automotive Industry 2025	Approved ³⁰	MIT
	Public Transport Concept 2020-2025 with a view to 2030	Approved	MT

²⁹ Updates in preparation.

³⁰ Updates in preparation.

Water Transport Concept	Taken into consideration	MT
Freight Transport Concept for the period of 2017 – 2023 with a view to the year 2030	Approved	MT
BESIP Strategy 2021-2030	Approved	MT
Urban and Active Mobility Concept 2021-2030	Approved	MT
Long-term Strategy for Building Renovation	Approved	MIT
Climate Change Adaptation Strategy in the Czech Republic	Approved ³¹	ME
Climate Protection Policy in the Czech Republic (2017)	Approved	ME
National Action Plan for Adaptation to Climate Change	Approved ³²	ME
State Environmental Policy of the Czech Republic 2030 with a view to 2050	Approved	ME
Environmental Security Concept 2021-2030 with a view to 2050	Approved	ME
Waste Management Plan of the Czech Republic for the period 2015 - 2024	Approved ³³	ME
Strategic Framework for the Circular Economy in the Czech Republic - Circular Czechia 2040	In preparation	ME
National Emission Reduction Programme of the Czech Republic (update 2019)	Approved	ME
Air Quality Improvement Programmes (2016)	Approved ³⁴	ME
Concept of Protection against the Consequences of Drought for the Territory of the Czech Republic	Approved	ME, MAg
Flood risk management plans	Approved ³⁵	ME, MAg
National river basin plans	Approved ³⁶	Mag, ME
Strategy of the Ministry of Agriculture of the Czech Republic with a view to 2030	Approved	MAg
Common Agricultural Policy Strategic Plan 2021-2027	In preparation	MAg
Action Plan of the Czech Republic for the Development of Organic Agriculture 2021 - 2027	In preparation	MAg
Concept of Agricultural Land Protection in the Czech Republic	In preparation	ME

³¹ Updates in preparation.

³² Updates in preparation.

³³ Updates in preparation.

³⁴ Updates in preparation.

³⁵ Updates in preparation.

³⁶ Updates in preparation.

	State Energy Concept (2015)	Approved	MIT
	National Action Plan for Energy Efficiency of the Czech Republic V. (2017)	Approved	MIT
	National Energy and Climate Plan of the Czech Republic ³⁷	Approved	MIT, ME
	Update of the National Renewable Energy Action Plan of the Czech Republic (2016)	Approved	MIT
	Hydrogen Strategy of the Czech Republic	In preparation	MIT
	Raw materials policy of the Czech Republic in the field of mineral raw materials and their sources (2017)	Approved ³⁸	MIT
	Update of the Secondary Raw Materials Policy of the Czech Republic for the period 2019 - 2022	Approved	MIT
	Policy of Architecture and Building Culture of the Czech Republic (2015)	Approved	MoRD
	Strategy of education policy of the Czech Republic until 2030+	Approved	MEYS
	Long-Term Plan of Education and Development of the Education System of the Czech Republic for the period 2019 - 2023	Approved	MEYS
3.3 Education and the labour market	The Ministry's Strategic Plan for Universities for the period from 2021	Approved	MEYS
	Strategy for the Internationalisation of Universities from 2021	Approved	MEYS
	Strategic Framework Employment Policy to the year 2030	Approved	MLSA
	Strategy for Gender Equality for 2021–2030 (under preparation)	Approved	OG
	Action Plan for the Prevention of Domestic and Gender-Based Violence for 2019 – 2022	Approved	OG
	Equal Pay Action Plan	In preparation	MLSA, OG
	National Strategy to Prevent and Reduce the Harm Associated with Addictive Behaviour 2019 - 2027	Approved	OG
	Action Plan for the Implementation of the National Strategy to Prevent and Reduce the Harm Associated with Addictive	Approved	OG

³⁷ Known as the National Climate and Energy Plan

³⁸ Additions in preparation.

	Behaviour 2019 - 2021		
	Family Policy Concept (2017)	Approved ³⁹	MLSA
	National Strategy to Protect Children's Rights 2021-2029	Approved	MLSA
	Migration Policy Strategy of the Czech Republic (2015)	Approved	MI
	Concept of Integration of Foreigners - In Mutual Respect (update 2016)	Approved	MI
	Procedure in the Implementation of the Updated Concept of Integration of Foreigners - In Mutual Respect in 2021	Approved	MI
	Social Inclusion Strategy 2021 - 2030 ⁴⁰	Approved	MLSA
	Roma Integration Strategy 2021 - 2030	In preparation	OG
	National Plan for the Promotion of Equal Opportunities for Persons with Disabilities 2021 - 2025	Approved	OG
	National Strategy for the Development of Social Services 2016-2025	Approved	MLSA
	Strategic Framework for Preparing for an Ageing Society 2020-2025	In preparation	MLSA
	National Investment Plan to the year 2050	Approved	MoRD
	Capital Market Development Concept in the Czech Republic for the period of 2019 - 2023	Approved	MF
3.4 Institutions, regulation and business support in response to COVID-19	Spatial Development Policy of the Czech Republic (Update No. 5 - 2020)	Approved ⁴¹	MoRD
	SME Support Strategy in the Czech Republic for the period of 2021 - 2027	Approved	MIT
	Plan for Systemic Reduction of Administrative Burden on Business for the period 2019 - 2022	Approved	MIT
	National Action Plan for Corporate Social Responsibility in the Czech Republic for 2019 - 2023	Approved	MIT
	National Action Plan for Business and Human Rights 2017 - 2022	Approved	OG
	Regional Development Strategy of the Czech Republic 2021+	Approved	MoRD
	Action Plan of the Regional Development Strategy of the Czech Republic 2021 - 2022	Approved	MoRD
	Rural Development Conception 2021 - 2027	Approved	MoRD
	Tourism Development Strategy of the Czech Republic 2021	In preparation	MoRD

³⁹ Updates in preparation.

⁴⁰ A three-year Action Plan will be prepared during the implementation of the Strategy.

⁴¹ Update no. 4 in preparation.

	- 2030		
	Action Plan for the Tourism Development Strategy of the Czech Republic 2021-2030 for the years 2022 and 2023	In preparation	MoRD
	Tourism Crisis Action Plan 2020 - 2021	Approved	MoRD
	Government Anti-Corruption Concept 2018-2022	Approved	MJ
	Anti-Corruption Action Plan 2021 and 2022	Approved	MJ
	Czech Republic Open Government Partnership Action Plan 2020-2022	Approved	MJ
	State Cultural Policy 2015 - 2020 (with a view to 2025)	Approved	MC
	State Cultural Policy 2021 - 2025+	In preparation	MC
	Strategy for Supporting Culture in the Czech Republic 2021+	In preparation	MC
	Strategy for the Development and Support of Cultural and Creative Industries	In preparation	MC
	Concept of Client-Oriented Public Administration 2030	Approved	MI
	Action Plan for the Concept of Client-Oriented Public Administration 2030 for the years 2021 - 2023	Approved	MI
3.5 Research, development and innovation	Innovation Strategy of the Czech Republic 2019 – 2030	Approved	OG
	Annexes to the National Research, Development and Innovation Policy of the Czech Republic 2021+	Approved	OG
	Methodology for the Evaluation of Research Organisations and the Evaluation of Programmes of Targeted Support for Research, Development and Innovation (2017)	Approved	OG
	Concept of the Information System of Research, Experimental Development and Innovation for the period 2021 - 2025	Approved	OG
	National Priorities of Oriented Research, Experimental Development and Innovation (2012)	Approved	OG
	Czech National Research and Innovation Strategy for Intelligent Specialisation - National RIS3 Strategy 2021-2027	Approved	MIT
	Roadmap of Large Research Infrastructures of the Czech Republic for 2016 - 2022 (update 2019)	Taken into consideration	MEYS
	National Space Plan 2020 - 2025	Approved	MT
	Strategic Framework for the Development of Healthcare in the Czech Republic to 2030 - Health 2030	Approved	MH
	Implementation Plans of the Strategic Framework for the Development of Healthcare in the Czech Republic to 2030	Approved	MH
3.6	National Mental Health Action Plan 2020 to 2030	Approved	MH

Population health and resilience	Implementation of the National Mental Health Action Plan 2020 to 2030 for the period 2020-2023	Approved	MH
	Strategic Framework of the Czech Republic 2030	Approved	ME
	Economic Strategy of the Czech Republic 2020 - 2030	In preparation	MIT
Cross-cutting documents	Implementation Plan of the Strategic Framework of the Czech Republic 2030	Approved ⁴²	ME
	Implementation of Agenda 2030 for Sustainable Development (UN Sustainable Development Goals) in the Czech Republic	Approved	ME
	Partnership Agreement for the 2014-2020 programming period (revised March 2018)	Approved	MoRD
	Partnership Agreement for the programming period 2021-2027	In preparation	MoRD
	National Concept of Cohesion Policy Implementation in the Czech Republic after 2020	Approved	MoRD
	Strategy for the Fight Against Fraud and Corruption when Drawing on Funds in the Common Strategic Framework 2014-2020	Approved	MoRD
	Strategic Framework for Economic Restructuring of the Ústí nad Labem, Moravian-Silesian and Karlovy Vary Regions (RE:START) (2017, update 2021)	Approved ⁴³	MoRD
	Summary Action Plan of the Restructuring Strategy of the Ústí nad Labem, Moravian-Silesian and Karlovy Vary Regions 2021	Approved ⁴⁴	MoRD
	Government Legislative Work Plan 2021	Approved	OG
	Overview of the Government's Implementation Work ⁴⁵ ; Outlook of the Government's Implementation Work for 2021 and beyond	Taken into consideration	OG
	Methodology for the Preparation of Public Strategies (update 2019)	Approved	MoRD

Information on Selected Approved Documents is also available in the Strategy Database⁴⁶, which is a nationwide information system for documents of a strategic nature. The materials are entered into the system by the individual national coordinating authorities.

⁴² An update of the Implementation Plan is under preparation.

⁴³ Update approved 3/2021.

⁴⁴ Update approved 3/2021.

⁴⁵ from 9.12.2019.

⁴⁶ Available from: <https://www.databaze-strategie.cz>