

III.



# Regional Development Strategy of the Czech Republic 2021+

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## 1 INTRODUCTORY METHODOLOGICAL REMARKS

The ambition of the **Regional Development Strategy of the Czech Republic 2021+** (hereinafter referred to as the “RDS”) is to set the main objectives of regional development in the horizon of **7 years**, or to define, in accordance with Act No 248/2000 Coll., on regional development support (hereinafter referred to as the “Act on Regional Development Support”), the main objectives of the State's regional policy in the period **2021–2027**<sup>1</sup>.

We define the regional policy of the central government (hereinafter referred to as the State) as a policy which should regulate the sectoral policies of the State so that they take into account the specifics of the various types of territory (metropolitan areas, agglomerations, regional centres and their rural hinterlands, structurally affected regions, economically and socially vulnerable areas) and which, at the same time, creates its own instruments influencing the development of specific territories.

The main purpose of the RDS is to identify which thematic areas need or require a territory-specific approach<sup>2</sup>, and to define what (different) interventions should be implemented in different territorial contexts so as to promote competitiveness, reduce regional disparities and find solutions promoting sustainable development of the territory.

Three test questions have been defined to determine whether a particular topic has a territorial dimension<sup>3</sup> and whether the RDS should focus on it. Those questions serve as a guide in deciding whether or not to address a particular topic. However, it is not necessary for all of the three test questions to be answered in the affirmative, i.e. that the topic has both a national scope and territorial specificities for which national-level instruments can be defined. The set test criteria were evaluated in relation to the individual regional development themes at working group meetings.

**(1) Importance/significance of addressing the topic from the national level. This is a topic that needs to be addressed by national interventions (i.e. it is not a local issue).**

- The purpose of the criterion is to determine the order of significance of the topic. The individual problems/challenges of regional development can be broken down by their impact/importance at least at global, European, national, regional or local level.
- The RDS is a document produced at national level, and should address problems of national importance. That concerns enhancing the strengths of regions and their development potential, which will strengthen competitiveness and reduce disparities among Regions (“Regions” shall mean hereinafter the administrative units of regional self-government, NUTS 3), for example by promoting business and entrepreneurship in deficit areas. It also concerns developing a knowledge-based economy, especially in territories with the greatest potential for it.

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<sup>1</sup> The Regional Development Strategy of the Czech Republic 2021+ builds on the Regional Development Strategy of the Czech Republic 2014–2020.

<sup>2</sup> Territory-specific approach is understood to mean that policies, programmes or instruments of State intervention (or State regulation) do not treat the whole territory of the Czech Republic identically, but either have different objectives in different territories or are set differently in different territories or can have somewhat different conditions in different territories.

<sup>3</sup> The territorial dimension in this sense is not understood as interventions from or through the level of territorial self-government or organized in a certain territory, but in terms of the territory-specific approach described above.

- Global or European challenges are considered in the RDS only under two prerequisites: (i) they manifest themselves significantly in the Czech Republic (which makes them national themes) and at the same time (ii) manifest themselves differently in the various Czech territories or cause significant inter-regional differences (mainly between Regions).
- The ambition of the document is not to address global challenges (e.g. eradicating poverty and hunger, ensuring the availability of sanitation facilities). Such challenges are the subject of strategic documents drawn up, for example, at the United Nations level.
- Similarly, it is not the ambition of the document to solve problems of a local nature (e.g. problems connected with a departing employer, which reduces the number of jobs in one region). Such problems should be addressed in Regional or municipal strategic documents.

**(2) The topic has certain territorial specificities (a different solution is needed in different territorial contexts) or it has different territorial consequences (i.e. an intervention carried out from the national level will manifest itself differently in different types of territory, or the national intervention must be designed so as to achieve different goals in different territories).**

- The RDS is not an overarching document setting out the desirable development of the Czech Republic in all areas.
- It is a document that defines in which areas/topics it is appropriate to apply different instruments in different territorial contexts (i.e. territorial specificities) and which national sectoral policies are to have different territorial implications and need the territorial dimension to be integrated into them. The RDS defines the territory-specific objectives and presents the instruments either in the form of type measures, or indicates that they must be designed and formulated with respect to the territory-specific objectives.
- An example of different solutions in different territorial contexts is the area of improving air quality. In agglomerations and metropolitan areas, the problem is mainly motorised traffic, while in rural areas and peripheries, it is the local combustion heaters. Specifically in the Ostrava metropolitan area, the problem is combined with pollution loads from border areas - from Poland.
- Similarly, strengthening R&D cooperation between firms and research organizations will be more concentrated in and take into account the conditions of agglomerations and metropolises, although rural or peripheral firms will not be disadvantaged. Conversely, support for entrepreneurship as a general requirement at national level will also be targeted at encouraging 'traditional' enterprises and crafts in economically weak and lagging areas, while it will focus on innovative entrepreneurship in agglomerations and metropolises.
- In the sector of primary education, the RDS objectives also vary in different territories. In the peripheries, the concern is to retain schools, even small ones, with sufficient accessibility and of the best possible quality. In the hinterland of metropolitan areas or agglomerations, especially in the close hinterland, the objective is both sufficient capacity and sufficient diversity, with quality being considered here as an across-the-board, territorially non-specific topic.
- It has been stated that many themes, based on analyses and working group meetings carried out, do not require a territory-specific approach and are only marginally mentioned in this document (e.g. energy network building, reduction of bureaucratic burden). This does not

mean that such themes are not important for the development of regions, but their development should be addressed in other strategic documents that define a national development strategy in the sector.

**(3) It is possible to propose or initiate a national solution to the problem.**

- The RDS is a document produced at national level, which should first of all define tasks that can be influenced at national level (i.e. by ministries or organizations funded by the State), either directly, by the State's own activities, or indirectly by the State initiating solutions that other players are responsible for, e.g. the self-governments.
- At the same time, it is the task of the RDS, in accordance with the Act on Regional Development Support, to set out recommendations to the Regions regarding the focus of their development. Due to the self-government of Regions and municipalities, the State will not and cannot enforce such recommendations.
- Given the nature of the document, the defining of the development needs of regions / types of territory / Regions is somewhat simplified. Some identified problems/potentials for strong metropolitan areas or other types of territory do not necessarily apply to the entire demarcated area, but are predominantly characteristic of that type of territory.

**In relation to the other strategic documents in the Czech Republic, we proceed from the following assumptions:**

- The RDS **builds on the Strategic Framework of the Czech Republic 2030**, which is the overarching development document of the Czech Republic.
- The RDS **does not** take precedence over other national strategic documents, but enters them in defining their territorial dimension.
- The RDS **is not a** document representing a list of priorities for the Czech Republic's use of EU funds in the post-2020 programming period. There are some topics that may be a priority for the new programming period (e.g. security), but since they do not have a territorial dimension, they are not addressed by the RDS, or only marginally. However, this does not exclude them from support in the new programming period. The basic document defining the priorities of the Czech Republic in relation to the new programming period is the **National Concept of Cohesion Policy Implementation after 2020**.
- The RDS **is** a development document that should serve as a basis for the development strategies of Regions (DSRs). The DSRs should elaborate on the topics addressed in the RDS in greater detail with regard to the specific features of the given Region. Nonetheless, Regions may also pursue topics that are not covered in the RDS (including topics that are imposed on them by legislation - e.g. secondary education).
- The RDS objectives will be implemented through measures and activities set out in the **RDS action plans** and **comprehensive action plans of the Strategic Framework for Economic Restructuring of the Ústí nad Labem, Moravian-Silesian and Karlovy Vary Regions**.

## 1.1 Geographical delimitation of the RDS objectives

The individual themes of regional development are intertwined, the logic of problem formulation implies that the problems are not territorially limited but overlapping. Some territories (urban and rural) may fall under more than one theme. At the same time, each territory is part of at least one theme.

**Tab. 1: Geographical delimitation of regional development themes**

Regional development theme	Geographical delimitation
<b>Metropolitan areas</b>	Prague, Brno and Ostrava metropolitan areas. The specific delimitation of the metropolitan areas is the subject of a separate specialist task.
<b>Agglomerations</b>	The other Regional capitals and their hinterlands. The specific delimitation of the agglomerations is the subject of a separate specialist task.
<b>Regional centres and their rural hinterlands</b>	<p>Regional centres are the towns defined in Table 3 and other regional centres of a lower order defined by Regions. Their hinterland means any territory not falling within the catchment areas of metropolitan areas and agglomerations.</p> <p>Regional centres are also towns that are part of a metropolitan area or agglomeration (e.g. Chrudim, Přerov, Jablonec nad Nisou). The catchment area of such towns will be defined.</p>
<b>Structurally affected Regions</b>	Ústí nad Labem Region, Moravian-Silesian Region, Karlovy Vary Region.
<b>Economically and socially vulnerable areas</b>	<p>Administrative districts of municipalities with extended powers (MEPs) defined on the basis of specified indicators - (a) intensity of housing construction, (b) gross rate of total population increase, (c) age index, (d) share of unemployed persons, (e) intensity of business activity. The administrative districts of the MEP which show the worst results in those indicators and in which 25% of the Czech population live were defined.</p> <p>In addition to the administrative districts of MEP defined by the above-specified indicators, this category also includes the administrative territories of municipalities overlapping with former military areas.</p>

**Tab. 2: Examples of towns and their classification under the regional development themes**

Examples of towns	Metropolitan areas	Agglomerations	Regional centres and their rural hinterlands	Structurally affected Regions	Economically and socially vulnerable areas
Litomyšl			Regional centre of a lower order		
Mikulov			Regional centre of a lower order		
Kladno	Part of the Prague metropolitan area		Regional centre of a higher order		
Semčice			Hinterland of a regional centre		
Pacov			Hinterland of a regional centre		Economically and socially vulnerable area
Karviná	Part of the Ostrava metropolitan area		Regional centre of a higher order	Part of a structurally affected Region	Economically and socially vulnerable area
Chomutov		Part of the Ústí nad Labem-Chomutov agglomeration	Regional centre of a higher order	Part of a structurally affected Region	Economically and socially vulnerable area
Děčín		Part of the Ústí nad Labem-Chomutov agglomeration	Regional centre of a higher order	Part of a structurally affected Region	Economically and socially vulnerable area
Brno	The core of a metropolitan area				
Šlapanice	Part of the Brno metropolitan area				
Hradec Králové		The core of an agglomeration			
Opatovice nad Labem		Part of an agglomeration			

Metropolitan areas, agglomerations and regional centres and their rural hinterlands have specific objectives and type measures that are created with regard to their problems and potentials.

**Type measures under Strategic Objective 2 were developed for the needs of a wide group of agglomerations. It is precisely because of the high heterogeneity of this group that it is envisaged that the type measures under Strategic Objective 1 will also be implemented in agglomerations (where relevant). However, a different intensity of the addressed problems can be expected in metropolises and agglomerations due to different critical sizes of the groups of actors (population**

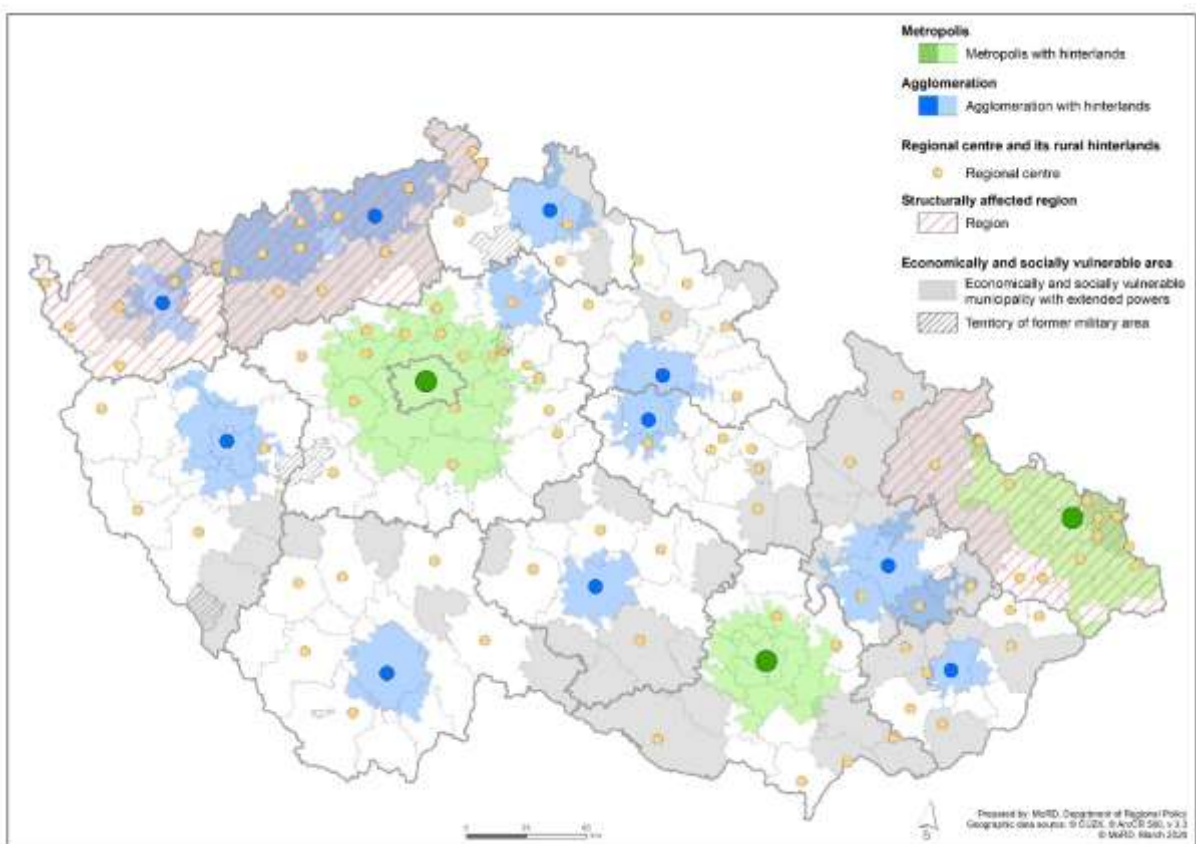


size, number and types of economic entities etc.) **and different intensity of processes taking place there** (e.g. different intensity of suburbanization) and their impacts in the territory.

Municipalities in the hinterland of metropolitan areas or agglomerations may also use type measures set for the purposes of regional centres and their rural hinterlands, if this is defined in the RDS action plans.

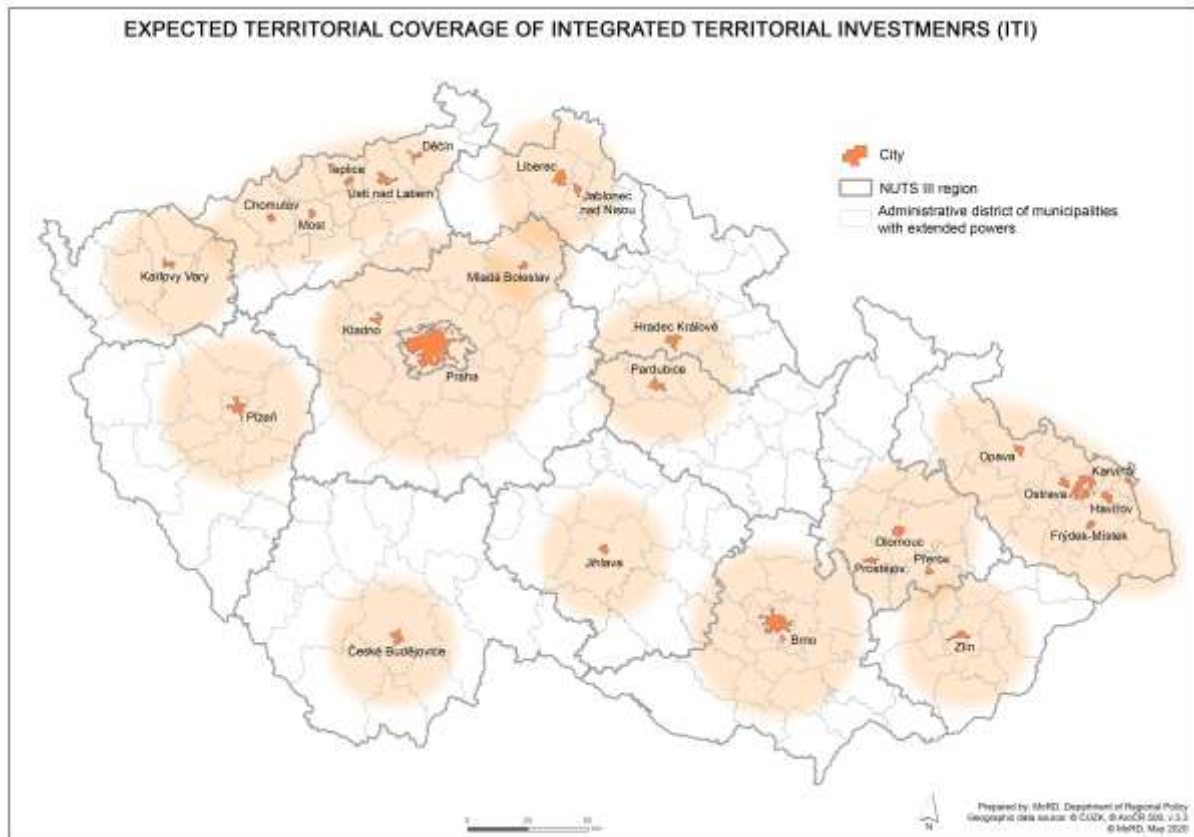
Territories falling within the structurally affected Regions (Moravian-Silesian, Ústí nad Labem and Karlovy Vary Regions) or economically and socially vulnerable areas may at the same time use specific objectives and type measures set for metropolitan areas / agglomerations / regional centres and their rural hinterlands and for structurally affected Regions / economically and socially vulnerable areas. This means that one municipality may fall under a maximum of four strategic objectives.

**Figure 1: Delimitation of metropolises, agglomerations, regional centres of a higher order and economically and socially vulnerable areas for the purposes of the RDS**



*Note: Figure 1 shows only higher-order regional centres (see also Table 3 below).*

**Figure 2: Expected coverage of the Czech Republic by the Integrated Territorial Investment (ITI) instrument in the period 2021+**



**(1) The metropolitan areas** are Prague, Brno, Ostrava and their hinterlands, including rural ones.

**Justification:**

- **Prague** has a strongly dominant position within the Czech Republic, not only due to its substantially higher population, but also due to its regional significance (including significant commuting from a number of Regional capitals). A substantial part of the administrative bodies of the Czech Republic and diplomatic missions of foreign states are concentrated there. The Václav Havel Airport exercises approximately 90% of the performance of all Czech airports.
- **Brno** is the second largest city in the Czech Republic. Some administrative bodies with nationwide competency are based there.
- **Ostrava** is the third largest city in the Czech Republic and the centre of the second largest metropolitan area in the Czech Republic. It is included in the category of metropolitan areas with regard to its population size, extensive urbanised hinterland and cross-border links.

**(2) Agglomerations** mean the remaining Regional capitals (except Prague, Brno and Ostrava) and their hinterlands, including rural ones.

**Justification:**

- In terms of settlement, regional and administrative structure, all Regional capitals have relatively the same status and importance within their Regions<sup>4</sup>. Therefore, in addition to their administrative role, the population of their catchment areas was taken into account.

**(3) Regional centres** can be divided into two categories - *regional centres of a higher order* identified from the national level (usually settlements with more than 15 thousand inhabitants and a catchment area of at least 30 thousand inhabitants; see Table 3) and *regional centres of a lower order* identified from the Regional level (usually settlements with at least 5 thousand inhabitants and a catchment area of around 10 thousand inhabitants)<sup>5</sup>. **Rural hinterland** means any territory not falling within the category of metropolitan areas and agglomerations. Some regional centres (and their hinterlands) also form the hinterland of metropolises/ agglomerations. A specific type of a regional centre is the city of Mladá Boleslav, which will be allowed to use the ITI instrument in the period 2021–2027, same as metropolitan areas and agglomerations (see Figure 2).

**Justification:**

- Given the nature of the Czech settlement structure (a relatively large number of small and medium-sized towns) and the function of this type of settlements as centres of commuting for work and school, we consider it necessary to address this type of settlement separately.
- The category also includes the remaining part of the rural space (outside the hinterlands of metropolises and agglomerations).

The territories of the above-mentioned strategic objectives (1, 2 and 3) cover the entire territory of the Czech Republic. These territories are also covered by the other two strategic objectives (4 and 5). This means that some areas are addressed under several strategic objectives and, at the same time, that each municipality is part of at least one strategic objective.

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<sup>4</sup> *Pilsen and its hinterland* can be perceived as being on the border between metropolitan areas and agglomerations. The core city of Pilsen (Plzeň) with its population (172 441 inhabitants as of 1 January 2019, according to CZSO data) significantly exceeds the other Regional capitals (except for those categorized as metropolitan areas). Also, the characteristics of economic growth or the intensity of science and research place the Pilsen Region among the best-ranking Regions.

On the other hand, the functional urban area (FUA) of Pilsen is significantly smaller than in the case of settlements classified as metropolitan areas. Based on data from 2017, the functional urban area of Pilsen reaches 342 thousand inhabitants, while the functional urban areas of Brno and Ostrava significantly exceed the limit of 700 thousand or 1 million inhabitants respectively.

<sup>5</sup> *Regional centres of a lower order* will be defined by the Regions (the form of the delimitation will be agreed with the Regions during the RDS implementation). In the RDS action plans, the target area of a certain measure (or activity) may be further specified, for example limited to a specific segment of regional centres.

**Tab. 3: List of regional centres of a higher order**

Region	List of regional centres
<b>Central Bohemian</b>	Kladno, Kolín, Kutná Hora, Mladá Boleslav, Benešov, Beroun, Mělník, Nymburk, Poděbrady, Příbram, Rakovník, Slaný, Kralupy nad Vltavou, Neratovice, Lysá nad Labem, Milovice, Brandýs nad Labem-Stará Boleslav
<b>Pilsen</b>	Klatovy, Domažlice, Rokycany, Tachov
<b>South Bohemian</b>	Tábor, Jindřichův Hradec, Písek, Strakonice, Český Krumlov, Prachatice
<b>Karlovy Vary</b>	Cheb, Sokolov, Aš, Mariánské Lázně, Ostrov
<b>Ústí nad Labem</b>	Chomutov, Děčín, Most, Teplice, Kadaň, Klášterec nad Ohří, Litoměřice, Louny, Žatec, Rumburk, Varnsdorf, Litvínov
<b>Liberec</b>	Jablonec nad Nisou, Česká Lípa, Turnov
<b>Hradec Králové</b>	Náchod, Trutnov, Jičín, Rychnov nad Kněžnou, Dvůr Králové nad Labem, Vrchlabí
<b>Pardubice</b>	Chrudim, Svitavy, Česká Třebová, Ústí nad Orlicí, Choceň, Vysoké Mýto
<b>Vysočina Region</b>	Havlíčkův Brod, Třebíč, Žďár nad Sázavou, Pelhřimov
<b>South Moravian</b>	Blansko, Břeclav, Hodonín, Vyškov, Znojmo, Veselí nad Moravou
<b>Olomouc</b>	Prostějov, Přerov, Jeseník, Hranice, Šumperk
<b>Zlín</b>	Kroměříž, Uherské Hradiště, Valašské Meziříčí, Vsetín, Uherský Brod, Rožnov pod Radhoštěm, Otrokovice
<b>Moravian-Silesian</b>	Opava, Frýdek-Místek, Karviná, Krnov, Třinec, Český Těšín, Havířov, Kopřivnice, Nový Jičín, Bruntál, Bohumín, Orlová

**(4) The structurally affected Regions** are the Ústí nad Labem, Moravian-Silesian and Karlovy Vary Regions.

**Justification:**

- Concentration of social, economic and environmental problems.
- Linkage to the existing **Strategic Framework for Economic Restructuring of the Ústí nad Labem, Moravian-Silesian and Karlovy Vary Regions.**

**(5) Economically and socially vulnerable areas** are defined on the basis of selected indicators (listed in Table 1), for which the average value for the period 2013-2017 is used. The indicators were selected on the basis of mapping the indicators used by the Regions for delimiting this type of territory. The demarcation variants were subsequently presented to the representatives of the Regions at meetings exclusively dedicated to this topic in March and June 2018. Preference was given to indicators that can be updated annually.

The administrative districts of MEPs falling into this category are shown in Figure 1 and Table 4. In addition to the MEP administrative districts thus defined, the category of economically and socially

vulnerable areas also includes the administrative territories of municipalities overlapping with former military areas<sup>6</sup>. The delimitation of the economically and socially vulnerable areas may be modified in the RDS action plans (see also Section 4.4).

The delimited economically and socially vulnerable areas are internally heterogeneous. For that reason, for the purposes of the RDS action plans, we plan to develop the characteristics and typology of economically and socially vulnerable areas so that their key problems and potentials can be differentiated and the planned measures can be linked to them.

In their own development strategies (DSR), the Regions can define economically and socially vulnerable areas at a lower administrative level (e.g. administrative districts of municipal authorities with delegated competencies) and so address disparities within the administrative districts of the MEPs. In those documents, the Regions may designate areas other than those defined in RDS as economically and socially vulnerable, but without the right to targeted support through the regional policy of the State.

#### Justification:

- According to the Act on Regional Development Support, the RDS “sets the conditions for delimiting the State-supported regions” - the indicator system fulfils this requirement.
- The aim of supporting regional development is, among other things, to "contribute to increasing the competitiveness of regions".

**Tab. 4: List of administrative districts of the MEPs in the category of economically and socially vulnerable areas**

Region	List of economically and socially vulnerable areas
Central Bohemian	-
Pilsen	Horažďovice, Nepomuk, Sušice
South Bohemian	Milevsko, Soběslav, Dačice, Blatná
Karlovy Vary	Kraslice, Sokolov, Ostrov
Ústí nad Labem	Litvínov, Most, Rumburk, Děčín, Varnsdorf, Podbořany, Chomutov, Kadaň, Ústí nad Labem, Lovosice, Teplice, Žatec, Louny, Litoměřice
Liberec	Tanvald, Frýdlant, Semily, Nový Bor
Hradec Králové	Broumov, Dvůr Králové nad Labem
Pardubice	Moravská Třebová, Česká Třebová, Svitavy, Králíky
Vysočina Region	Moravské Budějovice, Pacov, Bystřice nad Pernštejnem, Telč, Světlá nad Sázavou, Náměšť nad Oslavou, Chotěboř, Třebíč

<sup>6</sup>This concerns the following: Former military areas (in bold): **Boletice** (Polná na Šumavě), **Brdy** (Borovno, Bratkovice, Dobřív, Drahlín, Felbabka, Hvozdec, Chaloupky, Jince, Křešín, Láz, Malá Víska, Mirošov, Míšov, Nepomuk, Obecnice, Ohrazenice, Podluhy, Sádek, Skořice, Spálené Poříčí, Strašice, Štítov, Těně, Trokavec, Věšín, Vranovice, Zaječov), **Dobrá Voda** (Čachrov, Hartmanice, Prášily, Srní), **Hradiště** (Bražec, Doupovské Hradiště), **Libavá** (Kozlov, Luboměř pod Strážnou, Město Libavá), **Milovice-Mladá** (Benátky nad Jizerou, Brodce, Čachovice, Jiřice, Lipník, Luštěnice, Milovice, Smilovice, Straky, Všejanya), **Ralsko** (Bělá pod Bezdězem, Bezděz, Doksy, Hamr na Jezeře, Mimoň, Mukařov, Noviny pod Ralskem, Osečná, Provodín, Ralsko, Stráž pod Ralskem, Zákupy).

<b>South Moravian</b>	Veselí nad Moravou, Hodonín, Kyjov, Moravský Krumlov, Znojmo
<b>Olomouc</b>	Přerov, Jeseník, Šumperk, Konice, Mohelnice, Uničov, Lipník nad Bečvou, Zábřeh, Hranice, Šternberk
<b>Zlín</b>	Bystřice pod Hostýnem, Kroměříž, Otrokovice, Holešov, Vsetín, Uherský Brod
<b>Moravian-Silesian</b>	Karviná, Havířov, Orlová, Vítkov, Rýmařov, Krnov, Bruntál, Bohumín, Odry, Český Těšín

## 1.2 Description of the structure of the proposal part

**Strategic objectives** are the highest level of the proposal part and are divided, based on a problem analysis, into 5 territorial objectives (metropolitan areas, agglomerations, regional centres and their rural hinterlands, structurally affected Regions, economically and socially vulnerable areas) and 1 cross-cutting objective dedicated to public administration in the field of regional development. The introductory text for all strategic objectives represents a partial vision of the development in the given type of territory, or in public administration in the area of regional development.

**Specific objectives** are defined with regard to the needs and potentials of the given type of territory (or public administration in the area of regional development) and are focused on a specific topic (e.g. economic development, transport, public services and housing). The text of the specific objectives consists of two parts:

(1) Justification of the specific objective: A brief summary of the reasons for including the specific objective in the RDS. The purpose of the text is to link the problem analysis and the proposal part. However, it must not be understood in a narrow sense as a mechanical enumeration/ extract of sub-parts of the problem analysis to justify the specific objective. The structure of the specific objectives does not copy the structure of the problem analysis because the proposals of objectives and solutions to problems need to be designed differently from a description or analysis of problems.

(2) Solution: Explanation and detailed description of the specific objective, its focus and thematic targeting of the future interventions that are to deliver the specific objective and, through multiple specific objectives, to achieve a strategic objective. A more detailed description of the specific objective shows which areas/themes the interventions need to be focused on, what changes the interventions should bring and in what ways the potential associated with the specific objective should be developed.

**Type measures** are the lowest level of the proposal part. They represent a proposal for measures which should jointly or individually implement the changes set out in the description of the specific objectives. They are a proposal for interventions by the State or other public entities, intended to implement the RDS. The type measures constitute the basis / starting point for the proposals of RDS action plans.

The type measures will be further developed within the action plans up to the level of specific supported activities. Type measures in the RDS are therefore not intended to describe all possible solutions in detail but to show the direction of future development. The type measures will have to be

further conceptually and technically examined and elaborated in the preparation of the RDS action plans.

The individual type measures are structured according to the following logic:

(1) Problem: It draws on the text of the specific objective and indicates how the type measure is linked to the specific objective.

(2) Content: Brief description of the type measure.

(3) Target situation: It defines what the situation should be after a successful implementation of the type measure.

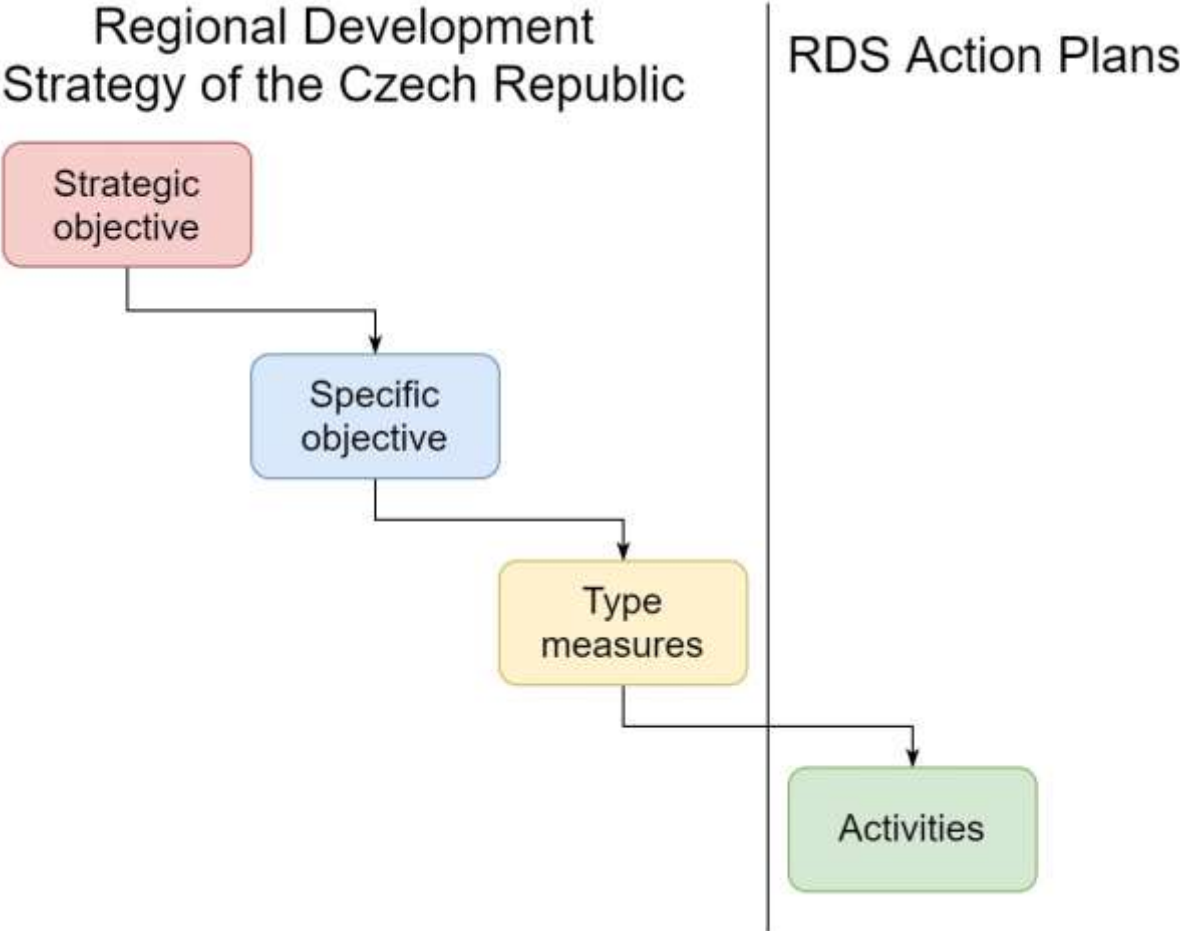
(4) Target group: Identifies entities the type measure is primarily targeted at.

(5) Main holder: It is a national body responsible for the thematic area. The holder can either act in the given area as an implementer of the measure or a coordinator or can provide methodical guidance to other actors at national, regional and local level, or act as a “regulator”, including the responsibility for drafting the legislation in the given thematic area. It is not necessarily the body that will finance the activities described in the measure.

(6) Other holders: These are other bodies at national level that have a role to play in coordinating and methodically guiding other actors at national, regional and municipal levels.

(7) Main implementers: It is not an exhaustive list of all potential implementers of a given type measure, but an indicative outline that will be modified for the purpose of implementing the measure.

Figure 3: The structural logic of the proposal part of the RDS





## 2 PROBLEM ANALYSIS

### 2.1 Extract from the Initial Analysis for the Preparation of the Regional Development Strategy of the Czech Republic 2021+

The extract from the Initial Analysis was based on the document “Analytical Background Material for the Preparation of the Regional Development Strategy of the Czech Republic 2021+” structured into six basic areas that have the greatest impact on regional policy. The proposals of the basic areas that the RDS should analyse posed questions as to what significant regional specificities and differences exist in the given thematic area, including the availability of relevant regional data for a relevant assessment of the situation in that area.

For each thematic area, the following was analysed: the position of the Czech Republic in the European context, the degree of regional differences between Regions, the administrative districts of MEPs, differences between urban and rural areas (depending on data availability and relevance). The basic areas of the analytical part and their objectives include:

#### A. Economic development

*To what extent do Czech regions manage to approximate/ converge towards the European average? Which regions converge and which do not (including economically weak regions defined in RDS CR 14-20)? What is the position of the Czech Republic's competitiveness in the international context (especially the importance of the innovative economy) and how does its development change over time? What is the position of Regions in terms of competitiveness factors (or their combination)? What are the differences in the wage level among Regions and in the sectoral structure of the economy? What are the differences in employment and unemployment in the regions, including an evaluation of the changing employment structure in the Regions?*

#### B. Quality of life, civil society

*What are the changes in the population in terms of socio-demographic and social characteristics, including trends at national and regional level? Are there territories that are problematic in providing basic public services?*

#### C. Networks

*What is the position of the Czech Republic in the European transport system (air, road, rail, water transport)? What is the condition of transport infrastructure in the regions of the Czech Republic?*

#### D. Quality of the environment

*What are the developments in the individual components of the environment and nature protection? What environmental problems are territory-specific? Which components of the environment still show a high risk and national-level problems?*

#### E. Public administration and regional development (see Section 2.2)

*What is the structure of the Czech public administration system in comparison with the European countries? What is the current state of competences, funding and problems of public administration (focusing on its performance, efficiency and public involvement in decision-making processes)?*

The analytical background material is a separate document available on the RDS extranet. Based on the analysis cited above, the following findings have been formulated:

## **A. Economic development**

- *In terms of economic performance, the GDP per capita in PPS relatively declined for Prague (a slight decline from a high base) and the Northwest region stagnated. On the contrary, the cohesion regions Southeast and Southwest converged, their growth rate corresponded to developed regions in Austria and Germany.*
- *However, it remains true that the main driver of the Czech Republic's growth is the capital city of Prague and its natural hinterland of the Central Bohemian Region, which form an increasingly integrated and functionally interconnected whole. The variability in gross domestic product among Regions increased over time. At the Regional level (in the period 2008–2015) the highest increase was recorded in the Pilsen, South Moravian and Zlín Regions.*

⇒ **The dominant position of Prague and the growing pace of economic growth in the Pilsen, South Moravian and Zlín Regions.**

- *In terms of achieved R&D values per capita, Prague has had the highest in the long term, but the dynamics of changes in R&D expenditures indicate that the South Moravian Region has significantly strengthened its position. Significant acceleration in R&D funds can also be identified in the Moravian-Silesian, Pilsen and Olomouc Regions.*

⇒ **Long-term highest values of R&D in Prague, significant strengthening of Brno, growth of Ostrava, Pilsen and Olomouc.**

- *Prague is also dominant in terms of labour productivity, but the South Moravian Region has shown a higher average labour productivity than the Capital over the last ten years. On the contrary, the achieved level and pace of average growth is very low in the Karlovy Vary Region.*

⇒ **Prague and Brno metropolitan areas - the highest labour productivity.**

⇒ **Economically problematic regions - labour productivity growth in the Karlovy Vary Region is very low.**

- *The formerly dominant position of Prague is starting to be complemented by an inflow of investments into other Regions - such as Pilsen, Moravian-Silesian, Central Bohemian. On the other hand, the Regions of Olomouc and Ústí nad Labem are lagging behind.*

⇒ **Prague's dominant position in the inflow of foreign direct investment.**

- *In the area of gross value added in the period 2005–2010, there was a dynamic growth in the City of Prague and the South Moravian Region. On the contrary, between 2010–2015, the value added grew the fastest in the Central Bohemian Region and the South Moravian Region. The dynamics of the other regions is significantly lower in this respect (including Prague).*

⇒ **The highest growth of gross value added in Prague, Central Bohemian and South Moravian Regions.**

- *In the long term, the most diverse and balanced economic base (in terms of dominance/representation of selected industries) is present in the South Moravian, Pardubice and Olomouc Regions. On the other hand, the Karlovy Vary, Ústí nad Labem and Moravian-Silesian Regions have long had a very specific economic structure dominated by one or two sectors. In the*

*case of the Moravian-Silesian Region, significant structural shifts in the economic base have started to occur in recent years.*

⇒ **Economically problematic regions - dominance of one to two sectors.**

- *There are regional disparities in the trend of the number of economic entities. In particular, the Ústí nad Labem and Karlovy Vary Regions recorded a decrease in the total number of economic entities in the period under review. The Liberec Region begins to stagnate. The City of Prague, the South Moravian and the Central Bohemian Regions show a very dynamic relative and absolute growth. This phenomenon can be associated with the continuing concentration of inhabitants and services in the most important centres of settlement and generally with agglomeration effects which are crucial for the development of small and medium-sized enterprises.*

⇒ **Metropolitan territories - relative and absolute growth of economic entities.**

⇒ **Economically problematic regions (especially the Ústí nad Labem and Karlovy Vary Regions) - a decrease in the total number of economic entities.**

- *In the category of small enterprises, a clear trend towards territorial concentration has been identified. In general, the highest share of small enterprises in the total number of economic entities was apparent in the Moravian-Silesian area and also in the Vysočina Region. Nevertheless, the territorial concentration changed during the period under review and the highest share in 2015 was evident mainly in the “urban” MEPs, i.e. in regions with a more populated settlement centre.*
- *In the case of medium-sized enterprises, the trend of territorial concentration in selected administrative districts of MEPs is also clear. However, in contrast to the category of small enterprises, medium-sized enterprises concentrate more in rural MEPs (often in inner peripheries) and not in regions with a higher proportion of urban population. In these rural regions, medium-sized enterprises are the dominant employers. Specifically, higher agglomerates and concentrations of medium-sized enterprises were found in the Vysočina Region, but also in the Olomouc and partially Pardubice Regions.*

⇒ **Rural regions (often inner peripheries) - medium-sized enterprises are dominant employers.**

- *The regional patterns of the registered unemployment rate were not overcome in 2005–2016. At the beginning of the period under review, the impact of the slowdown in the Czech economy as a result of the economic crisis was evident. The result was an increase in unemployment, but that was also regionally differentiated. During the crisis, the highest growth was recorded in the Olomouc and Zlín Regions and also in the Vysočina Region. By contrast, the year-on-year indices from 2011/2010 confirm a gradually declining trend in most Regions to the present values, which are among the lowest in the EU. However, the problematic situation persists in regions with a negative inherited economic specialization (especially the coal basins) where the mismatch between supply and demand in the labour market prevails, and in economically below-average regions. Despite a clear downward trend in the regional registered unemployment rate, the inter-Regional differences have increased over the last three years of economic boom.*
- *Although the overall trend of the unemployment rate is demonstrably declining, in the period after the crisis (after the crisis waves of 2008 and 2012), the pace of unemployment reduction is higher in the four highest-ranking Regions (change index 75) than in the four lowest-ranking Regions (change index 78) . It cannot be argued, therefore, that the unemployment rate decreases more rapidly in*

the lower-ranking regions. On the contrary, such approximation does not occur. Despite the degressive trend, interregional differences in unemployment have been gradually increasing over the past three years. The regions also differ in the structure of the unemployed, which is available at the level of the local Labour Offices. The share of the long-term unemployed is persistently the highest in the Ústí nad Labem and Moravian-Silesian Regions. In the long term, the highest number of job applicants per vacancy has been in the Olomouc Region (note: The data available for the analysis were from 2016, but the unemployment rate has undergone further changes since then. Disparities in the unemployment rate will continue to be monitored and continuously updated).

⇒ **Structurally affected Regions - a mismatch between supply and demand in the labour market persists. The structure of the unemployed is also problematic - the long-term unemployed form the highest share.**

- *The trend in the share of unemployed persons was specifically monitored by the type of administrative districts of MEPs in 2005–2016. The MEP categories by the character of settlement (urban x rural) as well as by the state of development and development potential (growth X loss) show very systematic regularities in terms of the unemployment trend. The development in all categories clearly copies the nationwide unemployment trend, but there is a spatial differentiation between the categories, which almost does not change over time. The most favourable situation on the labour market is evident in the so-called urban and rural growth regions. The differences between the two categories are minimal.*
- *The second group of regions with relatively favourable (un)employment conditions consists mainly of rural, significantly rural and urban stabilized regions. The last known unemployment values are slightly below 5%. Until 2011, regions falling into the category of urban stabilized territories were closer in their development to growth urban and rural regions, but since 2014 they have corresponded much more to the above-mentioned “stabilized” MEPs.*
- *A higher share of the unemployed has been identified in the so-called mostly rural and significantly rural MEPs and the highest unemployment has been associated in the long term with MEPs belonging to the so-called urban loss regions which usually face mainly structural unemployment. The above-mentioned spatial trends show, in particular, the typical conditionalities of unemployment, which are to a varying extent represented in each of the categories. These are mainly the inherited economic specialization of the MEP administrative districts, the vertical geographic position (i.e. the position of important centres in the hierarchy of the settlement system), but also the horizontal position in relation to the Regional capital (inner, outer periphery etc.) or the macro-geographic position (west - east).*
- *The indicator of the fertility rate, according to the data for 2015, shows the lowest value in Prague, the highest value in the Central Bohemian Region. The fertility rate is closely linked to the attractiveness of the regions, the migration movements of the population, the suburbanization process and other societal processes. The sequence of the regions is relatively stable in the period under review. A more significant decline was recorded in the Northwest region which showed the highest fertility rate until 2009.*

⇒ **The fertility rate is the highest in the Prague metropolitan area (or in the ring around Prague).**

## **B. Quality of life, civil society**

- *The results of natural increase disparities reveal an increasing polarization of Regions in the Czech Republic. The Central Bohemian Region has the highest natural increase per 1,000 inhabitants in the long term. This can be associated primarily with urbanization processes, or with the suburbanization process, and the long-term high attractiveness of the City of Prague hinterland. In most Czech Regions, the gap is gradually deepening between Prague and the Central Bohemian Region on the one hand, and the other Regions, where the natural increase has decreased over time and is currently negative, on the other hand. The fastest natural decrease in population is reported in the Karlovy Vary, Moravia-Silesia and Ústí nad Labem Regions. Unfavourable in the long term, though not so high, decrease is also reported in the Olomouc, Pilsen, Zlín and Hradec Králové Regions.*

⇒ **The growth metropolis (Prague metropolitan area) - shows a significantly higher natural increase compared to the other Regions.**

- *At MEP level, rural and peripheral areas (inner and outer peripheries) deepen their long-term negative natural increase. The number of such MEPs is gradually increasing, monitored in regular time intervals. Positive natural increase is typical only for MEPs with the most important settlement centres (e.g. Regional capitals) and their closest hinterlands. The natural increase by the category of MEP administrative districts (urban vs rural, growth vs loss) confirms the trends outlined above. The highest values have been recorded in the long term mainly by the “growth” (and therefore attractive) regions, regardless of whether they are urban or predominantly or significantly rural MEP regions.*

⇒ **Inner and outer peripheries - areas with long-term negative natural increase.**

- *The trend in natural increase per 1 000 inhabitants in relation to the size categories of municipalities confirms the expected regularity, where the value of natural increase has been declining, in the long term, with the decreasing size of municipalities. A specific feature are municipalities in the category up to 100 inhabitants with a very negative trend, where the decline of the population is dominated by natural decrease. On the other hand, differences in categories of 500 and more inhabitants are minimal.*
- *The regions with the longest life expectancy of women (also overall) in the long term include Prague and the Vysočina Region and the South Moravian Region. The three regions with the lowest life expectancy also basically remain the same, i.e. the Ústí nad Labem, Karlovy Vary and Moravian-Silesian Regions. The difference between the highest and the lowest life expectancy, i.e. between Prague and the Ústí nad Labem Region, is 3.01 years. In addition to the overall long-term increase in life expectancy in all Regions, there is also a very slight convergence tendency between regions.*

⇒ **Economically problematic regions - the lowest life expectancy.**

- *There is an apparent long-term rising trend in the age index in all regions of the Czech Republic. The only exception is Prague, where the age index has been gradually decreasing since 2011–2012. The highest rate of demographic aging is shown by economically weak or structurally affected regions (which, moreover, have increased unemployment rates and overall job shortages). These are the Karlovy Vary and Ústí nad Labem Regions, but also the Moravian-Silesian Region. Migration movements and the availability of job opportunities are probably responsible for the fastest growth*

*in the age index. Conversely, the lowest pace of demographic aging is characteristic for the Central Bohemia and South Moravian Regions.*

⇒ **Economically problematic regions - the highest aging dynamics indicating the departure of younger population groups in particular.**

⇒ **Prague and Brno metropolitan areas - the lowest rate of demographic aging, indicating the arrival of younger population groups in particular.**

- *The development of the age index in relation to the size categories of municipalities in 2006–2015 shows that the highest age index is typical in the size category up to 100 inhabitants. In these smallest settlements, there is no longer any growth (the current index value is 156). The second highest value (and at the same time a long-term rising trend) is reported by towns with over 3,000 inhabitants. The lowest age index is reached by municipalities in the size categories 500–999 and 1,000–2,999 inhabitants. The highest values of the age index are reported by municipalities in the inner peripheries of the Czech Republic (especially clusters along the Regional borders of the Vysočina Region and also on the border of the South Bohemian, Central Bohemian and Pilsen Regions). On the contrary, the lowest values are natural in the hinterlands of high-population settlements in the Czech Republic.*

⇒ **Peripheries (mainly inner) - the highest values of the age index also due to the departure of younger population groups.**

⇒ **Prague and Brno metropolitan areas - the lowest values of the age index in their hinterlands due to suburbanization and the arrival of younger population groups.**

- *At MEP administrative district level, rural and peripheral areas (inner and outer peripheries) deepen their long-term negative natural increase. There is an apparent long-term rising trend in the age index in all regions of the Czech Republic. Again, the highest rate of demographic aging is shown by economically weak or structurally affected regions. Migration movements and the availability of job opportunities are probably responsible for the fastest growth in the age index. Conversely, the lowest pace of demographic aging is characteristic for the Central Bohemia and South Moravian Regions.*

⇒ **Peripheries - a long-term negative natural increase.**

- *Relative regional inequalities in the distribution of persons with tertiary education are relatively low, and moreover, according to the measured variability, there is an evident tendency of a further decrease. In the long term, the highest share is characteristic for Prague (32.6%) and the South Moravian Region (21.7%), i.e. two key cities with a high concentration of higher education institutions and, moreover, with considerable work attractiveness. The remaining regions already show very similar values of around 14%.*

⇒ **Prague and the South Moravian Region - the highest share of persons with university education in the long term.**

- *In the context of sub-indicators in the area of regional schools - including, for example, the international survey on educational outcomes PISA, TIMMS, or national testing carried out by the Czech School Inspectorate, results of uniform entrance examinations for secondary schools, results*

*of pupils in the common part of the school-leaving examination, share of so-called early school leavers, employment and unemployment of secondary school leavers, proportion of children attending preschool education, equipment of schools etc. - an increase in regional disparities between selected groups of regions has been observed in recent years. Regional differences in regional education are also shown in staff resources (teachers and other staff).*

⇒ **The Karlovy Vary, Ústí nad Labem and Moravian-Silesian Regions show stagnation or a worsening trend in regional education sub-indicators in comparison with the other regions.**

- *Overall, only 3 Regions showed a positive migration balance throughout the reference period 2005–2015. They are the Central Bohemian Region, where the positive increments are the highest, and the South Moravian and South Bohemian Regions (a positive migration balance is also reported by Prague). Although the rate of migration activity in the Czech Republic remains low in comparison with other countries, it is clear that a regional pattern of long-term migration-growing regions has begun to shape due to the economic crisis and other factors. Given the concentration of job opportunities and other service activities in the most important centres, this trend is likely to continue in the coming years. By contrast, the structurally affected and economically weak regions have shown a negative migration balance over the last decade and are losing their population.*

⇒ **Prague and Brno metropolitan areas - the only long-term growth regions (albeit together with the South Bohemian Region).**

⇒ **Economically problematic regions - long-term negative migration balance.**

- *The territorial distribution of foreigners residing in the Czech Republic has been uneven in the long term. In 2015, <sup>7</sup>foreigners had the greatest share in the total population in Prague (13.5%); they reached between 6.5 and 8% in the Karlovy Vary Region, in the immediate vicinity of Prague, in Brno, Pilsen and in the Mladá Boleslav district. On the contrary, only 1.5% foreigners were in the Zlín, Olomouc and Vysočina Regions (CZSO 2016).*

⇒ **Prague and Brno metropolitan areas - the highest share of foreigners (although similar values as the Brno metropolitan area are reached in the Pilsen, Karlovy Vary and Mladá Boleslav areas).**

- *All regions saw an overall decline in housing construction during the period under review. The highest decrease was registered in the Liberec, Zlín and Olomouc Regions. In general, it is apparent that in 2015 the polarization of housing construction in the Czech Republic increased and especially the Regions with strong links to Prague (or Central Bohemia) show rather stagnation or decline in housing construction (see the Pilsen or Liberec Regions). On the other hand, in the Moravian-Silesian part of the Czech Republic, the attractiveness and economic maturity of Brno, or the South Moravian Region (documented under other indicators of the economic dimension) has become more significant.*
- *The downward trend in housing construction per 1 000 inhabitants by size category of municipalities is typical for all categories from 2010 to the present. The long-term downward trend includes partial (one-year) increases, e.g. in the size category up to 100 inhabitants. A spatial analysis confirmed,*

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<sup>7</sup>At the end of 2018, there were 566 931 foreigners residing in the Czech Republic, which represents 5.6% of the total population in the Czech Republic. In the future, the number of foreigners will continue to grow according to the Ministry of Interior (MoI) estimates.

above all, the basic dichotomy of high values in the Prague and Brno agglomerations on the one hand and clusters of municipalities in the inner and outer peripheries in less developed Regions of the Czech Republic on the other hand.

⇒ **Prague and Brno metropolitan areas - increasing intensity of housing construction.**

⇒ **Followed at some distance by the Ostrava metropolitan area and the Pilsen agglomeration.**

⇒ **Peripheries - clusters of municipalities in inner and outer peripheries (less intensive housing construction).**

- *The highest proportion of persons at risk of poverty from the Czech NUTS II regions is reported by the Moravia-Silesia region (16.9%) and the Northwest region (16%). In terms of the overall trend, the efforts to reduce the share in those regions to the level of the remaining regions have been fruitless. Moreover, the share has continued to increase over the past three years. The lowest share (slightly over 5%) has been apparent in the long term in Prague and Central Bohemia.*
- *The lowest share of distraint cases per capita is in the Zlín Region (5.7%) and the Vysočina Region (5.57%). The average share in the whole country is 9.33%. In the long term, the highest share of distraints is in the Ústí nad Labem (16.62%) and Karlovy Vary Regions (15.81%). However, even within those Regions there is considerable spatial variability (e.g. in the Ústí nad Labem Region: the Litoměřice District shows the value of 10.71% while the Most District has 20.03%).*

⇒ **Economically problematic regions - the highest proportion of people at risk of poverty and the highest proportion of people under distraint.**

⇒ **The Zlín and Vysočina Regions - strong cohesion of the inhabitants.**

- *In the category of inner peripheries, the worst accessibility of public administration authorities is usually on the borders of Regions, near the state borders and borders of military areas. These are mainly the border areas of the Karlovy Vary and Pilsen Regions (areas around Teplá, Žlutice, Lubenec), the Pilsen and Central Bohemian Regions (areas around Zbiroh, Březnice), Central Bohemian and South Bohemian Regions (areas around Blatná, Milevsko, Votice, Mladá Vožice), the Central Bohemian and Vysočina Regions (Zruč-Ledeč, Central Sázava River) and the Central Bohemian Region with the Pardubice and Hradec Králové Regions (Nový Bydžov, Chvaletice), which is connected to a strip along the northern and eastern borders of the Vysočina Region, and continues further along the western, southern and eastern borders of the Svitavy District (Mol, 2017). Some areas of the Moravian-Silesian Region (Osoblaha, Budišov, Vítkov) are also less accessible.*
- *The accessibility of administrative public services is also worse in some areas of the metropolitan hinterlands - in particular the districts of Prague-East, Prague-West and Brno-Country. The reason for the poor accessibility of administrative public services is the unnatural delimitation of catchment areas and the size of agglomerations, the peripheries of which have relatively worse accessibility of administrative authorities (Mol, 2017).*

⇒ **Peripheries - poor accessibility of public services, especially in inner and outer peripheries.**

⇒ **Metropolitan areas - relatively worse accessibility of public services in the metropolitan hinterlands (to a lesser extent, this applies to other large cities, including Ostrava and its hinterland).**



- *A comparison of the last three elections to the Chamber of Deputies points to a declining turnout in most Regions. The decline is relatively even across the country. A long-term lower turnout is associated with the structurally affected regions (Ústí nad Labem, Moravian-Silesian and Karlovy Vary Regions) and, on the contrary, a traditionally higher turnout is reported by the City of Prague and the Vysočina Region. Geographically, firefighting associations (as a partial indicator of the intensity of civic activity) are most concentrated in rural areas of the inner periphery of the South Bohemian and Pilsen Regions and the Vysočina Region.*
- ⇒ **Economically problematic regions - lower turnout in elections.**
- ⇒ **Inner peripheries - relatively more frequent civic associations.**

### C. Networks

- *Insufficient connection to the railway infrastructure is mainly in the Liberec Region (there are no electrified or double-track lines yet), and also in the South Bohemian, Karlovy Vary, Hradec Králové and Vysočina Regions (Ministry of Transport (MT) 2017). Due to the lack of a road alternative, the most serious situation in terms of overall accessibility is in the Karlovy Vary and South Bohemia Regions.*  
⇒ **Relatively the worst connection to transport networks in the Karlovy Vary, South Bohemian and Liberec Regions.**
- *The most loaded sections are mainly the end sections of motorways on the borders of large cities, especially Prague and Brno, and the roads connected to them (not only class II and III roads) in built-up areas (Road and Motorway Directorate (RMD) 2017). In this context, a substantial problem is the unfinished ring round around Prague.*  
⇒ **Prague and Brno metropolitan areas - the most loaded sections on their borders - a burden for municipalities in suburbs.**
- *The number of passengers checked in at airports outside Prague is many times lower compared to the Václav Havel Airport Prague and its trend in recent years has also differed - the number of passengers decreased in Brno, Karlovy Vary and Ostrava (although it increased again in 2017 in Brno, Ostrava or Pardubice), while in Prague it rose again in the period of economic growth.*  
⇒ **Prague's dominant position - the only major international airport.**
- *There is an apparent west-east gradient in the public transport offer. Municipalities in South and West Bohemia receive less service than municipalities in Moravia. This is to a certain extent related to the nature of the settlement: in Moravia and Silesia, the municipalities are larger in terms of territory and population and can be served by public transport more effectively. Regions less well equipped with public transport are parts of the Pilsen, South Bohemian and Vysočina Regions, especially the areas of Třebíč, Jindřichův Hradec, Vimperk, Kralovice and Nýřany.*  
⇒ **Certain parts of the Pilsen, South Bohemian and Vysočina Regions are less accessible by public transport.**
- *Almost half of the municipalities with up to 3,000 inhabitants, mostly in Bohemia, are not served by public transport on weekends.*  
⇒ **Rural areas lagging behind - not served by public transport on weekends.**
- *Given that the development of infrastructure providing high-speed internet access in the Czech Republic is primarily a matter of private entities, it is developing especially in locations with high demand prospects. That gradually increases the differences in the availability of high-speed internet between the urban and rural areas or peripheries. Areas with limited access to information infrastructure, the so-called grey and white areas of high-speed Internet coverage (MIT 2017), in conjunction with limited access to transport infrastructure, may have significant problems with maintaining a higher-educated population and skilled professionals. For that reason, it is necessary*

to consider strengthening the infrastructure especially in areas that otherwise show all the prerequisites for performing their economic and residential functions, primarily in stabilized areas (Pokorný, Marek, Perlín, Klečková 2015).

⇒ **Peripheries - worse internet access. The lack of a good connection hinders the development of public services using digital technologies, including the Internet of Things.**

#### **D. Quality of the environment**

• *The built-up and other areas grow the most in the metropolitan hinterland of Prague, extending to the Central Bohemian Region, and in the South Moravian Region while the anthropogenic areas decrease in the Karlovy Vary and Ústí nad Labem Regions where coal mining is being reduced.*

⇒ **Prague and Brno metropolitan areas - grab of land, especially in suburbs.**

⇒ **Economically problematic regions (Karlovy Vary, Ústí nad Labem) - decrease in anthropogenic areas - i.e. areas previously used for mining can serve a new purpose.**

• *In the long term, the biggest problem is the loss of agricultural land resources in areas with the most valuable soil (the undulating to slightly sloping areas of the Labe River basin and the Morava River basin), where the highest proportion of soils in an extreme risk is located.*

• *Changes related to climate change, especially rainfall distribution, rising temperature and drought, can lead to a significant decline in annual river flows, especially in South Moravia areas and central North-West Bohemia, or even in higher altitude river basins (e.g. the Bohemian-Moravian Highlands). The effects of drought have an impact on both the soil moisture balance and water quality and on aquatic and water-bound ecosystems. Groundwater levels are falling<sup>8</sup>.*

• *Significant pollution of surface water persists in the industrial-oriented Regions of Ústí nad Labem, Moravia-Silesia and Central Bohemia, but also in the South-Bohemian and South-Moravian Regions, where the impact of non-point pollution from intensive agriculture and a number of point municipal sources is manifested. Unpolluted or only slightly polluted water was evaluated in the mountain areas of the Karlovy Vary, Liberec, Hradec Králové, Olomouc and Moravian-Silesian Regions and also on most of the Ohře and Vltava Rivers' course. Infiltration also causes groundwater pollution.*

• *The production of pollutant emissions in the individual Regions of the Czech Republic is closely related to the economic focus of the Regions. The largest share of total pollutant emissions in the Czech Republic is attributed to the Moravian-Silesian Region where 219.1 thousand tonnes of pollutant emissions were produced in 2015, which represents a total of 22.2% of pollutant emissions in the Czech Republic, followed by the Central Bohemian Region and Prague (175.1 thousand tonnes) and the Ústí nad Labem Region (115.5 thousand tonnes) where emissions are due to a high concentration of industrial and energy plants. In 2015, those three Regions accounted for 49.1% of the total emissions of pollutants emitted into the air. On the contrary, the least emissions of pollutants come from the Liberec Region, due to the increased focus of the Region's economy on services and trade.*

⇒ **Economically problematic regions (Ústí nad Labem and Moravian-Silesian Regions) + Prague and the Central Bohemian Region: the most emissions of pollutants.**

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<sup>8</sup> This issue is addressed in detail in the National Action Plan for Climate Change Adaptation, which was approved by Government Resolution No 34 of 16 January 2017.

- *Nearly half of the population lives in settlements of less than 10,000 inhabitants (48.1% of the population in 2015). In the most affected small settlements, air pollution can be comparable to the burden on large conurbations. The reason for the deteriorated air quality in small settlements is a combination of several basic factors, namely the morphology of the territory - often valley locations with the occurrence of temperature inversion, the traffic load associated with transit traffic, especially in places without bypass routes to smooth the traffic flow, and heating of households with solid fuels.*
- *The total waste production as well as the ratio between the production of other and hazardous waste as well as the total waste generation per capita differ among the Regions due to the different economic focus of each Region. The highest total production of other waste, and thus the total waste production, is in Prague and in the Central Bohemian and South Moravian Regions, while the highest total waste generation per capita is in the Pilsen Region, Prague and the South Moravian Region. The most localities with old environmental burdens registered in the System of Contaminated Sites Registration (SEKM) are located in the Olomouc, Moravian-Silesian and Central Bohemian Regions.*

## **2.2 Institutional context**

In addition to territorial disparities in the economy, social area, environment and transport, the analytical background material also evaluated the setting of public administration in relation to regional development.

The trend of recent years has been an increased effort to apply integrated solutions in both urban and rural areas. At the same time, emphasis has been placed on strengthening cooperation between municipalities, especially because of the large number of small municipalities. Another important topic is the setting of support for regional development and better interlinking of key strategic documents. Regional development support is provided primarily from the level of the State and the Regions, in the future, a greater support for regional development could be considered at a lower level (e.g. at the level of municipalities with extended powers). In the area of strategic documents, a key factor seems to be to ensure coordination of the RDS, sectoral conceptual documents (defining the science and research policy, social policy, etc.) and the territorial development policy. The RDS should define more clearly the territorial dimension (cross-section) of sectoral interventions.

The development potential of entire metropolitan areas is also hampered by a lack of coordination of the development at the metropolitan level, which is manifested, for example, in unwillingness to communicate and jointly plan and coordinate activities that extend beyond the city borders. Insufficient legislative anchoring of metropolitan planning, different competencies and the system of territorial management from the position of the core city, suburban municipalities and, in the case of the Prague metropolis, also the Regional management do not allow the potential of metropolitan administration of the territory to be exploited. This problem is particularly evident in the case of Central Bohemia which forms the hinterland of Prague, but these two Regions do not communicate or communicate very little institutionally or in planning (territorial, schools, etc.), except for the gradual integration of public transport. In sub-themes, this issue is addressed through the integrated instrument ITI. One possible solution to eliminate this problem is enshrined in Article (184) of the

Territorial Development Policy of the Czech Republic, imposing a task on the MoRD to conduct, in cooperation with the relevant ministries and Regions, territorial research studies addressing problems that extend beyond the border of one Region. Specifically, to address the issue of coordination of the territory of Prague and the Central Bohemia Region within the Metropolitan Development Area of Prague, the policy sets out the task in Article (40) to draw up territorial research studies addressing interconnections of public infrastructure, coordination of the development and use of land and suburbanization issues.

Cities as centres of wider hinterlands often do not have sufficient administrative capacity to provide public services in such hinterlands (e.g. in the administrative districts of MEPs). The offices of municipalities with extended powers often do not have sufficient personnel capacities to provide services for the whole wider hinterlands (the administrative districts of the MEPs). This applies in particular to smaller centres of the MEP administrative districts. Some towns with a population size of roughly between 25 and 45 thousand inhabitants are not holders of integrated instruments in the 2014-2020 programming period. As a result, this category of towns was not motivated to develop integrated planning (in terms of coordinating the development of the wider area and in terms of integrating the themes) and did not obtain certainty of receiving an allocation of funding from European funds.

The administrative burdens are an obstacle to the existence/development of sole traders or micro-enterprises in particular and have potentially the greatest impact in rural areas, all the more in the economically and socially vulnerable. In such territories, the role of small enterprises is crucial, both in terms of employment and the provision of basic commercial services (e.g. retail)<sup>9</sup>. In economically and socially vulnerable areas, a weaker performance of public administration is often manifested - municipalities with extended powers often do not function as the planning and management level, but only as an inspection level<sup>10</sup>. Small municipalities have a low administrative and professional capacity.

### **2.3 Megatrends**

As part of the analytical work, attention was also paid to monitoring the external factors and megatrends that transcend the borders of the Czech Republic and have a European or global character. Substantial space was dedicated to megatrends<sup>11</sup> in the preparation of the Strategic Framework of the Czech Republic 2030. Megatrends are of a social (growing population, global aging), technological (growing access to information), economic (global economic growth), environmental (increasing resource consumption) or political (increasing volume of regulations) nature.

To assess global megatrends, annotation texts from the Global Megatrends background material for the updated Strategic Framework for Sustainable Development were used<sup>12</sup>. For the purposes of RDS, the columns “Relevance of the Global Megatrend for the Czech Republic” and “Regional Manifestations of the Global Megatrend in the Czech Republic” were added (see Annex 1). The first

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<sup>9</sup>UTM CR (2017): Starting points for establishing the position of the Union of Towns and Municipalities of the Czech Republic on the Cohesion Policy of the European Union after 2020 - working version.

<sup>10</sup> Although, for example, in the area of spatial planning, the municipal authorities of municipalities with extended powers ensure, in delegated powers, the preparation of land-use plans upon request of municipalities in their administrative district and the acquisition of territory analysis documents for their administrative district.

<sup>11</sup> <https://www.vlada.cz/assets/ppov/udrzitelny-rozvoj/CR-2030/Prehled-globalnich-megatrendu.pdf>.

<sup>12</sup> <https://www.vlada.cz/assets/ppov/udrzitelny-rozvoj/CR-2030/Prehled-globalnich-megatrendu.pdf>.

one assesses the impact of the global megatrend in the Czech Republic, the second describes how the manifestations of the global megatrend differ at the level of regions or specific territories in the Czech Republic.

All of the above-mentioned global megatrends manifest themselves in different intensities in the Czech Republic and their impact on specific territories also differs. Based on these characteristics, global megatrends were ranked by relevance to RDS. As the only global megatrend, which is by definition regional, is urbanization, it was ranked first. The authors are aware of the advanced stage of urbanization processes in the Czech Republic and that urbanization in its pure form has not manifested in the Czech Republic for a long time. The current trend traceable in the Czech Republic are rather the suburbanization or re-urbanization processes. In particular, the suburbanization trend is, in addition to the natural process of moving the middle and higher class out of the urban core, reinforced by administrative and other barriers that limit the construction of flats, thus forcing people in search of housing out of the administrative area of urbanization centres. An important and traceable process of “citifying” is also taking place at the sociological level, where urban lifestyle and the corresponding values are spread to the hinterlands of cities.

Other global megatrends are ranked in descending order, taking into account the combination of the relevance of the global megatrend for the Czech Republic and its regional manifestations in the Czech environment. The strong interdependence and similar importance for the Czech Republic and its regions leads, in some global megatrends, to the formation of clusters with similar characteristics and approximately comparable level of influence on regional development in the Czech Republic. The correctness of this method is also confirmed by a relatively high correlation with selected global megatrends in the National Concept of Cohesion Policy Implementation after 2020.

<b>Order</b>	<b>GMT by regional significance</b>	<b>Occurrence in NCI</b>
(1)	Urbanization (outside the categories)	NCI
(2)	Climate change and its impacts Ecosystem degradation Food safety	NCI NCI
(5)	Increasing availability of technologies A growing access to information Increasing speed of technological change Virtualization of the world	NCI NCI NCI
(9)	Growing inequality Intensifying globalization Global economic growth Increasing mobility	NCI
(13)	Increasing competition for resources Growing consumption of resources Growing consumption of energy	NCI NCI
(16)	Reducing discrimination Increasing indebtedness	
(18)	Increasing importance of non-governmental actors Increasing volume of regulation Growing individualism and the power of individuals	

	Global aging	NCI
(22)	Civilization diseases Healthy lifestyle	
(24)	Increasing migration	
(25)	Middle class growth Increase in the policy of force Growing population	
(28)	Democratization of society From unipolar to multipolar world	

## **2.4 Main results of the analytical background material**

In the period 2005–2015, an economic convergence with developed regions of Austria and Germany occurred only in some Czech regions (cohesion regions Southeast and Southwest). In the period under review, the differences between regions of the Czech Republic (Regions, cohesion regions) increased. Some Regions (or their centres) became dominant in the field of science and research - these are mainly Prague and its hinterland and Brno. In the area of science and research, the other university cities - Ostrava, Pilsen, Olomouc and Liberec - also strengthened their positions. Prague and Brno with their hinterlands also recorded relative and absolute growth of economic entities, indicating a continuing concentration of inhabitants and services in the most important settlement centres.

The metropolitan areas of the two largest cities have been recording, over time, a growth in the number of businesses, population (younger and more educated) and economic growth.

Relatively significant population decline is recorded in rural (especially in villages up to 500 inhabitants) and peripheral areas and the Ústí nad Labem, Karlovy Vary and Moravian-Silesian Regions. The decline in population is very noticeable especially in villages up to 100 inhabitants.

Available studies confirm the important role of small and medium-sized towns across the regions, the network of which is relatively dense in the Czech Republic. The socio-economic situation of small and medium-sized towns depends on their population size and geographic location, and can not be generalized (there is a difference between a midsize town in a metropolitan area and in more peripheral position). In general, however, the function of small and medium-sized towns is essential in the settlement system.

The analyses confirm the persisting and at places deepening problems of the structurally affected regions. These include a significant dominance of one or two sectors, the continuing outflow of population, or increased levels of unemployment (especially of the long-term unemployed). The Ústí nad Labem and Karlovy Vary Regions also report an overall decline in the number of economic entities.

Based on the analytical background material, round tables and outputs of working group meetings, the following regional development themes were identified:

### **Metropolitan areas**

These are metropolitan areas (i.e. areas containing the core city and its hinterland - a "metropolitan rural area"), which have the ambition to act as centres of Central European significance and at the same time experience a significant economic growth and approximate the European average in economic indicators. The two fastest growing Czech metropolitan areas have, to some extent, similar problems and similar development potentials (although Prague is obviously specific in itself). The analytical work shows that the Prague and Brno metropolitan areas differ from other metropolitan areas / agglomerations at least in the following aspects:

- The highest economic power (GDP per capita) - in the case of Brno as the centre of the South Moravian Region, one of the fastest rates of convergence to the European average.
- In the area of R&D, the dominant position is held by Prague followed by the dynamically growing South Moravian and Central Bohemian Regions (a strong growth can also be seen in Ostrava, Pilsen and Olomouc).
- Prague and the South Moravian Region show the highest values of labour productivity.



- Pollution from transport (mainly in the Prague metropolitan area).

The metropolitan areas also include the Ostrava metropolitan area, primarily with regard to the population size of Ostrava and the size of its heavily urbanized hinterland, which implies other factors common to metropolitan areas, such as expenditure on science and research, the number of innovation centres, the number of innovation firms, commuters for work and schools, foreign direct investment. Although Ostrava, or the Ostrava metropolitan area, was losing its population after 1989 and faced high unemployment associated with the decline of traditional industries, it has the ambition to move towards the socio-economic and innovation characteristics of the Prague and Brno metropolitan areas.

*The cores of these metropolitan areas correspond to categories A1 (Prague), A2 (Brno) and A3 (Ostrava) in the document "Settlement structure of the Czech Republic - proposal for categorization of settlement centres in the Czech Republic and defining the main links of centres in the national and Central European context"<sup>13</sup>.*

### **Agglomerations**

These are agglomerations, the centres of which are the Regional capitals. The territory of these agglomerations - Regional capitals and their hinterlands - is internally heterogeneous and the analytical part does not indicate features that would be common to all representatives of this category. The future development of these territories can be very diverse. In some cases, convergence towards the metropolitan areas can be expected, but in some cases there is a risk of economic stagnation.

*Note: The cores of these agglomerations correspond to category A3 (except for Ostrava) in the document "Settlement structure of the Czech Republic - proposal for categorization of settlement centres in the Czech Republic and defining the main links of centres in the national and Central European context".*

### **Regional centres and their rural hinterlands**

Regional centres and their hinterlands play an important stabilizing role in the territory and maintaining this role is important for the Czech settlement system. The problems and development opportunities of these centres are given by their location (on or off the development axes), size, distance from a centre of a higher order, size of the catchment area, etc.

The category of regional centres covers *regional centres of a higher order*, which can be identified with larger centres of municipalities with extended powers - centres with more than 15 thousand inhabitants and catchment areas exceeding 30 thousand inhabitants. This category also includes *regional centres of a lower order*, which will be defined in cooperation with the Regions during the RDS implementation (see also Section 1.1).

*Note: The regional centres of a higher order and their hinterlands correspond to categories B, C, D and some A3 in the document "Settlement structure of the Czech Republic - proposal for categorization of*

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<sup>13</sup> Körner, M., Müller, J., Feistnerová, R., Almásyová, B. (2017): Settlement structure of the Czech Republic. Proposal for categorization of settlement centres in the Czech Republic and defining the main links of centres in the national and Central European context.

*settlement centres in the Czech Republic and defining the main links of centres in the national and Central European context”.*

### **Structurally affected Regions**

Structurally affected Regions are undergoing a process of economic restructuring due to the strong focus of their economy on traditional industrial sectors. These are the three Regions (Ústí nad Labem, Karlovy Vary, Moravian-Silesian), which are supported by the State specifically, on the basis of a government resolution - the Strategic Framework for Economic Restructuring has been drawn up for them and Comprehensive Action Plans for Restructuring are created for them every year. Analytical work shows that the three Regions differ from the other ones in at least the following aspects:

- The highest proportion of people at risk of poverty and the highest proportion of people under duress.
- The fastest growth of the age index, indicating a low birth rate and an outflow of the younger population.
- Problematic situation on the labour market - increasing unemployment, mismatch between demand and supply on the labour market, long-term highest share of the long-term unemployed (especially in the Ústí nad Labem and Karlovy Vary Regions).
- Relatively poor connection to key transport routes (especially the Karlovy Vary Region).
- Pollution - due to intensive economic activity, especially in parts of the Ústí nad Labem and Moravian-Silesian Regions.

### **Economically and socially vulnerable areas**

The analysis and expert work <sup>14</sup>show that there are territories within the Czech Republic that can be described as peripheral. Peripherality can take several forms: areas at great distances from regional centres, areas that have lost a large number of jobs as a result of restructuring and have failed to replace them with other activities, rural areas in the hinterlands of large cities that have a positive migration balance but are characterized by a high unemployment rate.

The analytical work shows that the lagging regions (inner and outer peripheries) show certain specific characteristics:

- In inner peripheries, medium-sized enterprises are often the dominant employer.
- At least some of these territories (parts of the Zlín Region and the Vysočina Region) show relatively the lowest proportion of people at risk of social exclusion / people at risk of duress.
- Poor accessibility of public services - especially in inner peripheries.
- Poor transport accessibility by public transport (especially on weekends) for some types of peripheries.
- Lower intensity of housing construction.
- A long-term negative natural increase.

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<sup>14</sup> E.g. Bernard and Šimon, 2017.

- The highest values of the age index - indicating the departure of younger population groups.
- Poor access to high-speed internet.

## SWOT ANALYSIS

Strengths	Weaknesses
<ol style="list-style-type: none"> <li>1. Rapid economic growth and convergence of some regions (South Moravian, Pilsen, Central Bohemian Regions) to the values of developed German and Austrian regions.</li> <li>2. An increasing offer of scientific research activities and support infrastructure in university centres (Prague, Brno, Ostrava, Olomouc, Pilsen).</li> <li>3. At national level, a relatively higher share of foreign direct investment than in other Central and Eastern European countries.</li> <li>4. Diversified economic base in some regions (South Moravian, Pardubice, Olomouc) - the distribution of economic entities is a possible advantage in the crisis of a certain sector.</li> <li>5. A growing quality of life, expressed, for example, by the life expectancy increasing faster than in Western European countries (albeit increasing from a lower basis).</li> <li>6. Very low unemployment in European comparison.</li> <li>7. A relatively low proportion of people at risk of poverty in European comparison.</li> <li>8. Good transport service in metropolitan regions, often thanks to the interconnection of urban transport with regional (suburban) transport.</li> <li>9. Dense railway network.</li> <li>10. Gradual decrease of greenhouse gas and pollutant emissions, improved quality of the environment.</li> </ol>	<ol style="list-style-type: none"> <li>11. Economic stagnation of most regions in relation to macroeconomic values of developed German and Austrian regions.</li> <li>12. Regions/agglomerations with R&amp;D potential still have underdeveloped potential of regional innovation systems.</li> <li>13. So-called branch plant<sup>15</sup>- a syndrome of regional economies, resulting in low labour productivity in some, e.g. structurally affected, regions.</li> <li>14. Despite the generally favourable situation on the Czech labour market, unemployment in some regions is still relatively high. Moreover, there is still a high share of the long-term unemployed in structurally affected regions.</li> <li>15. Departure of typically the younger and more educated part of the population from economically and socially vulnerable areas. This applies to both structurally affected Regions and inner and outer peripheries.</li> <li>16. Some regions are not sufficiently connected to the backbone transport infrastructure (road and rail) - e.g. the Karlovy Vary, South Bohemian and Liberec Regions, where poor accessibility by road and rail is cumulated. Some regions are under-served by public transport.</li> <li>17. An increasing number of socially excluded localities, which is also due to the lack of social prevention and social counselling services in smaller towns and remote regions.</li> </ol>

<sup>15</sup>It is a phenomenon describing the structure of the economy, or the structure of enterprises in the region/ economy, where the economy with the branch plant syndrome is dominated by companies (often foreign) with limited powers within the corporate hierarchy, which produce rather products with a lower added value and which usually do not (or only partially) own a research and development department.

	<p>18. In some regions, there is a lack of physicians and nurses and, in general, poor access to public and commercial services (including, for example, high-speed internet access).</p> <p>19. Main road routes still unfinished (e.g. D3 and D11 motorways) and absence of fast rail connections.</p> <p>20. The limit values are still exceeded in a relatively large part of the territory.</p>
<p><b>Opportunities</b></p> <ol style="list-style-type: none"> <li>1. Continuing growth not only of metropolises and their further convergence towards the Western European average.</li> <li>2. If the current trend is maintained, it can be expected that foreign direct investment in the Czech Republic will increasingly focus on more demanding technologies with higher added value.</li> <li>3. Transformation of the economic base of regions associated e.g. with the companies moving up in global value chains.</li> <li>4. Another opportunity is the growth of labour productivity, mainly in certain regions. Any labour productivity growth will depend on the structure of foreign direct investment and the position of firms in global value chains.</li> <li>5. Regions in rather peripheral locations can benefit from better social capital and thus better exploit the endogenous development potential in the future.</li> <li>6. In regions with tourism potential, the development of tourism can have positive effects on employment and local budgets.</li> <li>7. Guaranteeing and maintaining a comparable quality of teaching and equipment in regional schools as a prerequisite for maintaining the</li> </ol>	<p><b>Threats</b></p> <ol style="list-style-type: none"> <li>1. Continued decline in the number of economic entities in regions without growing metropolises (i.e. outside Prague with the Central Bohemia Region and Brno with the South Moravian Region).</li> <li>2. Czech companies locked into the low tiers of global value chains.</li> <li>3. Insufficient development of regional innovation systems, persistent mistrust between companies and R&amp;D institutions, low cooperation of regional actors.</li> <li>4. Cessation of major employers in smaller regions with a low diversity of the economic base.</li> <li>5. Continuing population growth in growing metropolises without an adequately fast response of the supply of accessible housing and public services.</li> <li>6. Continuing depopulation of economically and socially vulnerable areas - both small municipalities in peripheral positions and structurally affected regions.</li> <li>7. Increase in external differentiation and differences in quality of education provided at the various levels of education - especially at the level of primary education.</li> <li>8. The education system will not be adapted to better match the needs of</li> </ol>

<p>educational attainment levels of sub-regions, especially in primary education.</p> <ol style="list-style-type: none"> <li>8. Growth of the knowledge society related to the growing number of university graduates.</li> <li>9. Further growth in the quality of life represented, for example, by an increase in healthy life expectancy.</li> <li>10. Completion of the backbone transport infrastructure and commencement of works on fast rail connections.</li> <li>11. Especially for some towns/regions, the conversion of brownfields into areas that will be put to a new use - whether of business or non-business nature.</li> <li>12. Strengthening transport connectivity (a higher frequency of connections between cities and their hinterlands) and digital connectivity (better access to high-speed internet). The digital transformation will increase the rationality and efficiency of public services provided by the State, Regions and municipalities.</li> </ol>	<p>the local labour market and to optimize the fields of study at secondary school level in the context of reflecting the employment of school-leavers and the phenomena of digitization and automation.</p> <ol style="list-style-type: none"> <li>9. In the future, the performance of the economy may be negatively affected by too low unemployment rates, mainly due to the lack of labour force required for further growth of companies.</li> <li>10. Failure to complete the backbone transport infrastructure (road and rail).</li> <li>11. Remote areas will not be sufficiently served by public transport, which will lead to a further loss of population and an overall decline.</li> <li>12. Intensive grabbing of agricultural land (as a result of residential suburbanization or construction of extensive warehouses) in the hinterlands of large cities leading to fragmentation and non-permeability of the landscape.</li> <li>13. Climate change is a potential threat, with negative effects expected in certain regions.</li> <li>14. The decline of public services in the smallest size categories of municipalities and in peripheral areas.</li> </ol>
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## 2.5 Problem trees

### METROPOLITAN AREAS

#### ***The main problem:***

Metropolitan areas in the Czech Republic are characterized by the fact that they have to face great pressure on their development and growth, to which they will have to adapt. These pressures are mainly environmental (pressure on land grabbing, reduction of green areas) and social (pressure on sufficient capacity of public services, especially in the hinterlands of large cities). At the same time, metropolitan areas are not yet sufficiently exploiting their potential for economic and social development compared to comparable metropolitan areas in Europe. The persistent low ambitions of firms and their insufficient strategic management in terms of growth and competitiveness based on innovation and expansion of technological boundaries. A low degree of internationalization of research institutions in metropolitan regions and the associated limited interdisciplinarity of topics and solutions to challenges of the 21<sup>st</sup> century. Limited cooperation of research institutions and companies (contractual and collaborative research), low trust of the main actors, unprepared processes to strengthen application research and commercialization.

#### ***Sub-problems and causes: (1) Untapped potential for economic and social development compared to comparable metropolitan areas in Europe***

A1. One of the partial barriers to the development of metropolitan areas, both in terms of economy and quality of life, or living standards, is an underdeveloped infrastructure. This concerns, above all, the still insufficient international transport accessibility of metropolitan areas.

A 1.1 Insufficient availability of infrastructure is caused by the lack of and, at the same time, a distant time horizon for the implementation of high-speed rail lines.

A2. Insufficiently developed potential of the regional innovation system

A 2.1. Persistent lack of cooperation between the public research and private sectors and insufficient research cooperation with foreign partners. Despite the good number of active research and development organizations, there is still insufficient transfer of research and development results into practice.

A 2.2. A large number of universities and higher education institutions (HEIs) are concentrated in these regions, but their internationalization and preparedness for it is still low.

A 2.3 The market competences of most companies are not well developed, companies often lack strategic information from customers and end markets. The opportunities and challenges associated with upgrading are therefore limited. It is this shift that can contribute to greater regional competitiveness.

A 2.4. Educational system insufficiently responsive to long-term societal and technological changes.

A 2.5 Lack of highly motivated people with the necessary technical, business and other experience.

A 2.6. The disadvantageous position of companies within the global production networks (Tier 3 suppliers prevail). Insufficient aspirations of companies and limited growth based on the

development of new products, limited innovation demand and low potential of companies to cooperate with R&D institutions

A3. Most foreign companies are subsidiaries of large foreign companies. The parent headquarters, including research centres, that have a decisive influence on the development of the company and its branches, are located abroad. Companies located in metropolises often do not have sufficient autonomy within the internal corporate hierarchy. That may reflect in their small investments in R&D. In spite of the above, according to the INKA survey, there is an increase in the number of companies to which foreign companies are relocating their R&D workplaces, most often because of high-quality, yet relatively low-cost workforce. That is connected with another positive trend, which is the strengthening of their autonomy within the corporations.

A 3.1. The current favourable situation on the labour market may also be a barrier to the development of some companies, due to the lack of labour force for the development of companies or for the arrival of new investors.

A 3.2. Insufficient supply of public services, both quantitative and qualitative, in the area of education or healthcare used by foreign nationals living in metropolitan areas (the Czech Republic) also reduces the attractiveness of metropolises for foreigners. Foreign nationals often work in decision-making structures and management of companies, in research, development and innovation; and in specialized fields, such as medium-high-tech. In general, metropolitan areas are not very open and prepared for the reception of foreigners, with the exception of the somewhat better situation in Prague<sup>16</sup>.

A 3.3. The metropolises are not sufficiently focused on developing new promising sectors of the economy (e.g. bio- and nanotechnology, mobility, modern energy, etc.) and do not respond adequately to new trends that may influence the economy and the functioning of society (e.g. Industry 4.0, shared economy, digitalisation, etc.).

A 3.4. The current offer and content of courses in secondary education and of study programmes in HEIs do not sufficiently reflect the current economic and social trends and phenomena. Secondary schools and HEIs in metropolitan areas are, in fact, better placed to offer this type of curricula.

### ***Consequences:***

B1. Insufficient supply of services to foreign nationals is to some extent a barrier to the untapped potential of metropolitan development compared to other European metropolises that seek to respond to the needs of foreigners living and working there and offer them services.

B2. Fragmented regional innovation system, insufficient transformation of R&D results into new and competitive products with a higher added value that can be produced in the Czech Republic. Added value is created and maintained in regions to a smaller extent than in metropolises of Western or Northern European countries with comparable population.

### ***Sub-problems and causes: (2) Growth adaptation problems:***

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<sup>16</sup> The Central Bohemia Region is implementing a programme called "Welcome Researchers". The situation is improving even in Brno, largely due to the activities of the Brno Expat Center. An Integrated Action Plan was created in Ostrava to facilitate the arrival of talent and workers from abroad.



A4. The intensity of development and growth of metropolitan areas is reflected in the pressure on land grabbing, and on the natural environment in general, which leads to changes in land use. One of the problems faced by metropolitan areas is the increasing construction of residential family houses and commercial areas in their hinterlands.

4.1. The land fund grabbing in the metropolitan hinterlands is determined by the development of suburbanisation or the development of commercial and individual residential construction.

A 4.2 The current state of construction is caused mainly by the differences in the supply of quality and affordable housing in the cores of metropolises and their hinterlands. Young and educated people are those who move to the hinterlands of cities. The reasons for migration, especially of young and educated people, from cities to suburban locations in the hinterland, are housing, health (better environment), or joining a family member.

A 4.3. This situation is closely related to the lack of strategy (policy) and coordination of the development of the metropolis core and its metropolitan area, including the missing tools for managing the metropolitan development of the territory administration.

A5. Suburbanization is also manifested in an increase in motorised private transport.

A 5.1 This fact is closely related not only to the commuting of residents to the core city, but also to the development of commercial centres on the outskirts of cities. Since suburban zones often provide only basic services (if at all), the residents seek most services in the metropolises.

A6. In metropolitan areas, a problem is the insufficient pressure on bringing some functions out of the central parts of cities. That may concern transport, employment and public services.

A7. In the cores of metropolitan areas (Prague, Brno, Ostrava), a lower availability of housing has been observed in recent years.

A 7.1 That is mainly due to the slow growth in the number of new flats compared to the growth rate of the cities and the related rise in property prices. Another factor in the rising prices of real estate is the demand from foreign clients.

A 7.2 Some parts of cities experience so-called gentrification, i.e. displacement of economically weaker entities by the economically stronger ones, at the level of both companies and inhabitants. There is also a displacement of the housing function by the commercial one.

A8. In metropolitan areas, there is often an ineffective growth on the outskirts of cities, instead of the transformation of brownfields in central areas.

A9. Metropolitan areas are not sufficiently prepared for climate change. Drought and heat waves will transform the cities' approach to town planning, water and energy.<sup>17</sup>

### ***Consequences:***

B3. The new construction changes the local landscape character, urban structure and architectural character of suburban settlements in the hinterlands of metropolises. Commercial warehouses are often built along motorways and main roads and residential suburbia are constructed in the surrounding countryside. Such real property is built at the expense of the land fund (greenfield) instead of the use of brownfields.

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<sup>17</sup> Preparedness for climate change tackles not only the problems of metropolitan areas, but also of agglomerations and a number of smaller municipalities and towns. It is a global megatrend that will require, depending on the size of the settlements, a commitment to transforming the approach of cities in their further development. The issue is also comprehensively addressed by the Strategy of Adaptation to Climate Change in the Czech Republic, incl. the national action plans on climate change in the Czech Republic.

B4. The increase in motorised private transport has a negative impact not only on suburban communities but also on the city itself, to which a large proportion of people commute for work and services. The insufficient capacity of transport infrastructure incl. the missing interconnection of public transport and transport nodes and car parks (P+R) results in congestion and increased pollution from traffic (e.g. noise, emissions) in city centres and in their hinterlands. In addition to increased pollutant and noise emissions, cities have to face other forms of pollution and their effects on the urban environment (e.g. thermal or light pollution).

B5. The new residential construction brings a uniform appearance to the suburban municipalities, with elements of urban architecture which is in some cases not aligned with the existing houses. Spatial expansion of municipalities affected by suburbanization increases the pressure on the development and maintenance of technical and transport infrastructure. New suburban construction also places a heavy financial burden on public administration, which in these suburbs invests in infrastructure, public transport and community amenities, with little or no private developer involvement.

B6. The services in municipalities of metropolitan hinterlands are used by many more people than the official number of inhabitants registered for permanent residence in the municipalities. Due to the budgetary allocation of taxes, there is a lack of funds to ensure sufficient capacity of public services. This situation is closely related to the fact that the Czech legislation does not know the term “temporary residence” or any other than permanent residence and under current conditions it is not possible to better reflect the actual number of people living (temporarily) in the city.

B7. Another threat to the municipalities, the city centres and their inhabitants is social segregation. The consequences of segregation on the lives of citizens are multiple, including an increased share of socio-pathological phenomena that may affect the development and attractiveness of neighbourhoods.

B8. Changes in the social structure of people in suburban communities also entail pressure to develop public services that have not yet been introduced or do not have sufficient capacity. It is especially the development of capacities of pre-school and educational establishments incl. the accompanying services for everyday life of people (e.g. medical facilities, a post office, shop, library, public space development, etc.). Insufficient development of services related to the development of suburban municipalities encourages motorised private transport and dependence on the availability of services in city centres.

B9. Population migration causes changes in the social environment in suburban municipalities, which entail changes in social relations between new and existing inhabitants, including a change in the social structure of the population.

***Potentials (strengths) of strong metropolitan areas:***

C1. The greatest economic strength (GDP per capita) and rapid economic convergence towards the values of Western European regions (South Moravian Region). The main driver of the Czech Republic's growth is the capital city of Prague and its natural hinterland of the Central Bohemian Region, which form an increasingly integrated and functionally interconnected whole. The Southeast region was one of the fastest growing regions in 2005–2015. A positive trend can be observed in the Moravia-Silesia region.

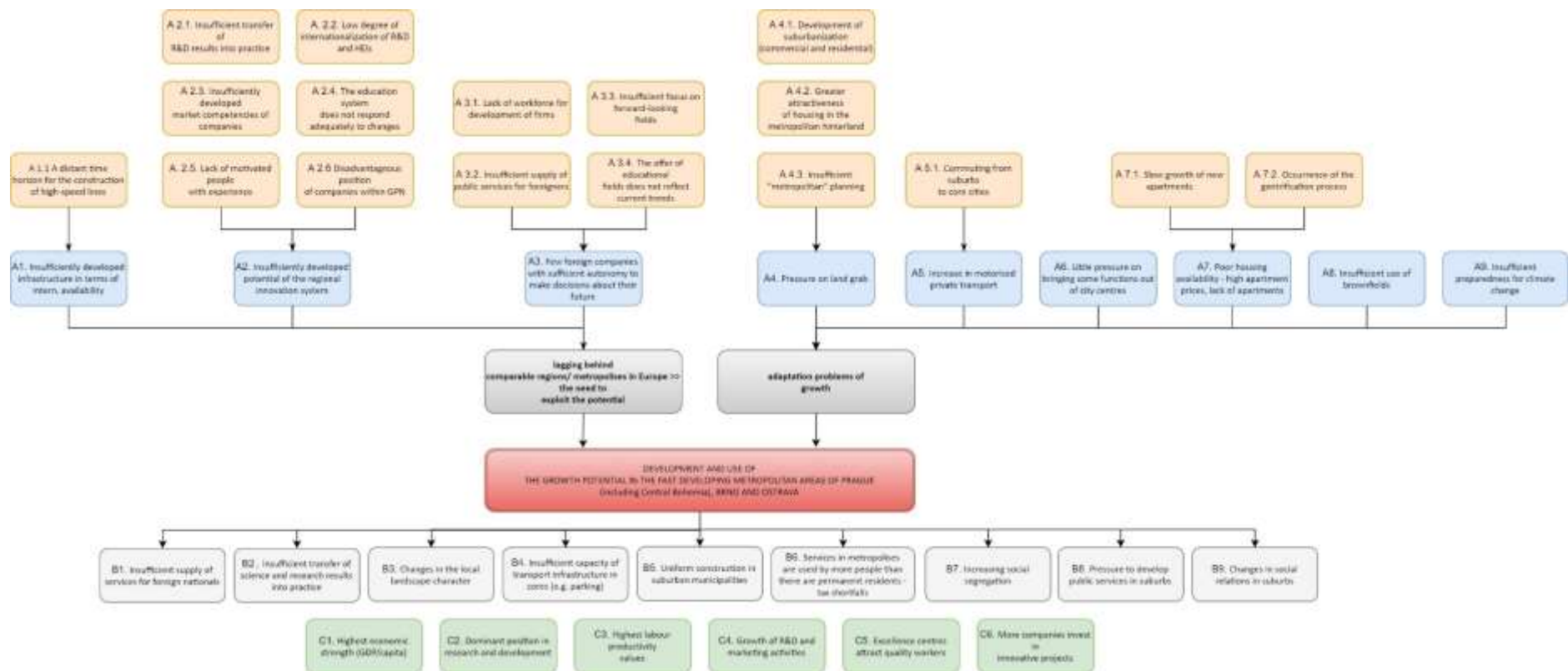
C2. Dominant position in research and development. In terms of the achieved value (i.e. the total size of R&D expenditure per capita), Prague has long been reaching the highest values. Nevertheless, the dynamics of changes in R&D expenditure clearly indicate that especially the Central Bohemian and South Moravian Regions (expenditure growth by 144%, which was the most significant increase of all regions in 2005–2015) significantly strengthened their position. Another positive factor is the establishment of the Central Bohemian Innovation Centre and the Moravian-Silesian Innovation Centre in Ostrava.

C3. Strong metropolitan areas have a dominant position in labour productivity comparisons. They have long been dominated by Prague. In the period 2010–2015, the highest average increase occurred in the South Moravian and Central Bohemian Regions. This fact is related, among other things, to a higher proportion of foreign-controlled companies where labour productivity has been higher in the long term than in domestic companies (however, the difference in labour productivity has not increased further in recent years).

C4. The activities forming the value chain are gradually expanding in companies in metropolitan areas (e.g. foreign companies are gradually increasing R&D or marketing activities that have a higher added value than the manufacturing activities themselves).

C5. In addition, global technology companies start establishing centres of excellence in the areas, whereby they create a positive image of the Czech Republic and can attract quality foreign workers.

C6. The number of successful autonomous companies investing in ambitious innovative projects is gradually increasing. More and more domestic companies are not building their competitiveness only on cost optimization, but they are seeking to push the technological boundaries in the field. The absolute number of such firms is still low, but a positive trend indicates their gradual increase.



## **AGGLOMERATIONS**

### ***The main problem:***

These are areas that, unlike other metropolitan areas (Prague, Brno, Ostrava), show slower convergence/ stagnation compared to the European average (e.g. in GDP per capita). An exception is the Pilsen Region, which shows better results in the convergence towards the European average. The future development of this group is uncertain, some territories may approximate the strong metropolitan areas, others may lose. The agglomerations of these Regions have less potential for spill-overs<sup>18</sup>, less power to positively influence their surroundings, which places these cities in a worse position compared to Regions with strongly growing metropolises. This group is very heterogeneous and although the individual Regions and their metropolises share many common features / sub-problems and their causes, their combinations have varying effects.

### ***Sub-problems and causes:***

A1. These areas have weaker links to strong and rapidly growing metropolitan areas (Prague, Brno, Ostrava), both in terms of transport connection and in terms of cooperation in science and research.

A 1.1. That is often caused by poor quality transport links of the agglomerations to strong metropolitan areas (e.g. Prague - České Budějovice, or Prague - Karlovy Vary, Brno (Ostrava) - České Budějovice). In some cases the problem is the low quality of transport (road and railway) interconnection of the agglomerations with each other (for example Liberec - Hradec Králové).

A2. A slower economic growth

A 2.1 In this category of urban centres, traditional sectors usually play a greater role, medium-high-tech sectors are less important here (or there are only manufacturing/routine activities in high-tech sectors), domestic firms are more active in the traditional industries, medium and smaller companies prevail (fewer large companies). This also has consequences for labour productivity.

A 2.2 The disadvantageous position of companies within the global production networks (Tier 3 suppliers prevail). Insufficient aspirations of companies and limited growth based on the development of new products, limited innovation demand and limited potential of companies to cooperate with R&D institutions.

A 2.3 This is due to the structure of the economic base (and investment), which is often dominated by firms and manufacturing activities with lower added value and thus by firms without access to the end market.

A3. The R&D and innovation performance of these territories is lower than that of the growing metropolises (even in relative terms).

A 3.1. Regional innovation systems are at different stages of development in these areas. Regions have fewer opportunities for smart specialization because they lack the critical size/density of actors and knowledge activities.

A 3.2. Limited cooperation of research institutions and companies (contractual and collaborative research), low trust of the main actors, unprepared processes to strengthen application research and commercialization. Unused potential of Regional scientific libraries providing access to information and popularization of science results.

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<sup>18</sup> These are economic side effects caused, for example, by the concentration of new companies in the region/city - it is a so-called spill-over effect, i.e. there is a gradual transfer of knowledge/ information/ technology between companies, sectors, etc.

A4. The agglomeration territories must address the problem of population growth in the hinterlands, so-called manifestations of suburbanization, same as the large growing metropolises. The manifestations and impacts of suburbanization on the physical and social environment of municipalities in the hinterlands of cities are the same as in metropolises; they differ only in the intensity of pressure on the natural environment and land use change (pressure on land grab, a growing intensity of motorised private transport, pressure on sufficient capacity of public services, transport and technical infrastructure both in suburban municipalities and in the cities themselves).

A5. The growth of motorised private transport and the insufficient capacity of transport infrastructure (e.g. missing or unfinished city bypasses) and variously frequent local transport problems are also linked to differently developed public transport systems, especially in the case of integrating public transport in the closer and more remote hinterland of a city, or in the whole Region (region).<sup>19</sup> The absence of city bypasses also means increased concentrations of emissions and noise.

A6. At least some Regional centres are experiencing an increasing social segregation. That concerns, for example, Ústí nad Labem (and generally northern Bohemia and northern Moravia and Silesia) where phenomena associated with social exclusion are concentrated - i.e. subsistence allowances, housing supplement, underage crime, unemployment<sup>20</sup>.

A7. In a number of cities falling into this category, a partial problem (challenge) is the existence of brownfields, often in city centres (e.g. the Baťa factory grounds in Zlín), although in recent years many cities have found new uses for their brownfield sites (e.g. again many buildings of the Baťa premises in Zlín have also been transformed by private initiatives). A potential risk is often the unclear ownership.

#### ***Consequences:***

B1. The success and future attractiveness of these agglomerations will be influenced by the ability to maximize growth based on the existing economic base and sectors, and the ability to adapt to current trends in the economy. From this point of view, the development of such agglomerations is expected to be diverse.

B2. The function of important Regional centres may be dimmed in some (weaker) agglomerations, which will reduce the opportunities of their hinterlands to benefit from the economic power and attractiveness of the agglomeration.

B3. In terms of the size of the agglomerations and their hinterlands, this category of towns also shows a mismatch between the registered permanent residents and the total number of persons living there or daily commuting there (users of the city's services). The mismatch is causing greater problems than in the strongly growing metropolises, and in terms of urban income (budgetary allocation of taxes) this imbalance has a greater impact. This situation is closely related to the fact that the Czech legislation does not know the term "temporary residence" or any other than permanent residence and under current conditions it is not possible to better reflect the actual number of people living (temporarily) in the city.

#### ***Potentials:***

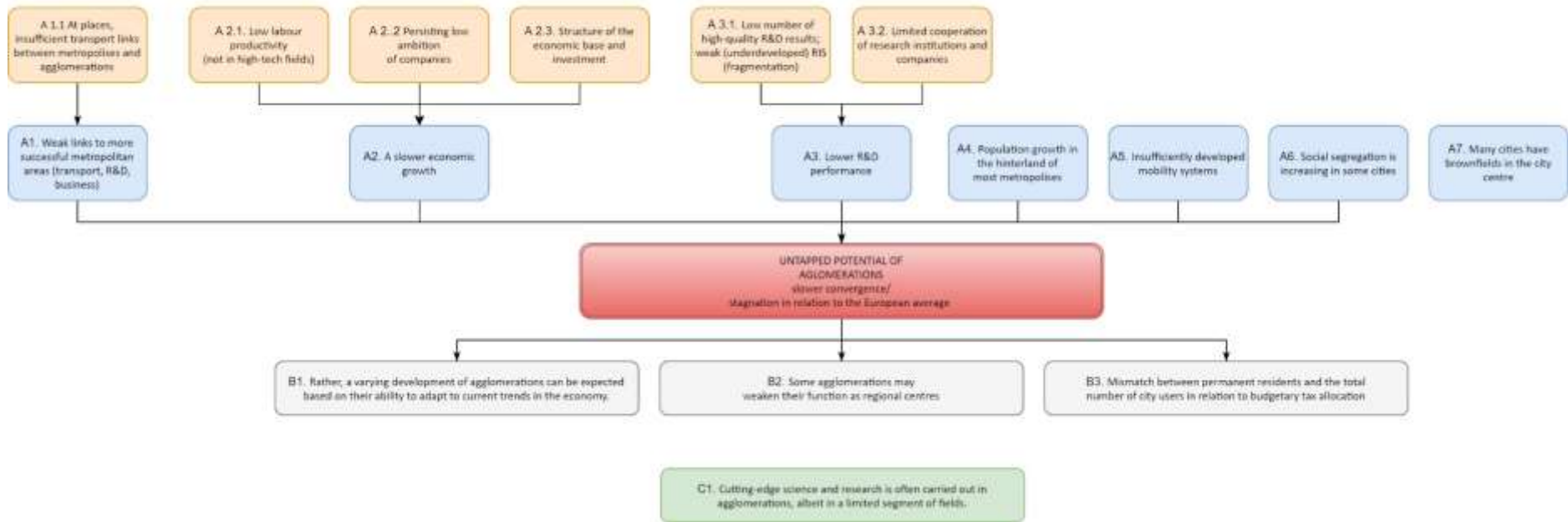
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<sup>19</sup> Connecting urban and regional transport to an integrated transport system is a necessary step for the other metropolises to ensure sustainable transport services. In connection with the development of an integrated transport system, it is necessary to invest also in modern and environmentally friendly public transport vehicles, incl. the accompanying infrastructure.

<sup>20</sup> Problems of social exclusion, or potential sources of social exclusion are described in detail in the Strategy for Combating Social Exclusion.

C1. Agglomerations often produce good research results (both in the private and public sectors, or they may have European centres of excellence) and in some fields some agglomerations may represent the national top in R&D (e.g. biotechnology and some medical research fields in Olomouc) , biological research in České Budějovice, etc.), but they are concentrated in a narrow spectrum of fields, highly specialized, small in size and usually without direct economic impacts.

C2. Agglomerations also have high potential for tourism development, especially in the MICE (meeting-incentive-congress-event) segment. The development of the accompanying services is also a driving force for the local economy.





## **REGIONAL CENTRES AND THEIR RURAL HINTERLANDS**

### ***The main problem:***

Regional centres play a stabilizing role in the territory and should play the role of centres of the given micro-region. This category of regions and towns is highly heterogeneous and the economic potential of the individual regions depends largely on whether or not they are located on the main development axes. Maintaining a polycentric settlement system is desirable for the development of the Czech Republic, however, in the Czech environment, the number of commuting centres is decreasing over time.<sup>21</sup> Given the fragmented settlement structure of the Czech Republic, it is also desirable to strengthen the role of regional centres in coordinating the development of wider, especially rural hinterlands. In the Czech environment, however, such coordination, for example in MEP administrative districts, is rather rare. The catchment area of regional centres often fails to exploit the endogenous potential for the development of the given micro-region.

### ***Sub-problems and causes:***

A1. This category of regions and towns has less potential for endogenous development, often because of its location (outside the main development axes), labour shortages, inappropriate skills of the staff, required for business growth, poor infrastructure and lack of services.

A 1.1 Low levels of cooperation between the private, public and non-profit sectors often contribute to the underdevelopment of the endogenous potential.

A 1.2 A limiting factor for the endogenous development seems to be the lack of financial resources for the implementation of development projects and thus dependence on external subsidy sources (European, national, Regional).

A2. Lack of qualified people for local companies (link to A1 and A3)

A2.1 A partial cause of the labour market problems is a mismatch between the local (regional) labour market demand and the local (regional) education supply. In many Regions (in the position of the most frequent secondary education authority), the occupational structure of the education system is still unsuitable as it does not really reflect the needs of the local labour market and does not respond to the current trends of digitization and automation.<sup>22</sup> Often, local companies cannot find enough occupationally well skilled and effectively further educatable employees. There is no systematic offer of lifelong education and learning.

A3. The problem of many regional centres is low diversity and heterogeneity of the economic base, where a given town is often dependent on one or several employers - and the diversity of employers

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<sup>21</sup> CZSO (2011), The polycentric arrangement of the settlement system is perceived as more suitable than the monocentric arrangement and is increasingly seen as associated with the reduction of territorial disparities (Sýkora and Muliček, 2011: Atlas of the settlement system. <http://www.uur.cz/images/2b-souvisejici-temata/Atlas-sidelniho-systemu/atlas-sidelniho-systemu-2011.pdf>). Regionalization of commuting to work according to the results of the 2011 Population and Housing Census.

<sup>22</sup> Úlovec, Martin and Vojtěch, Jiří. 2017. Unemployment of secondary and post-secondary vocational school leavers - 2017. National institute for education, school counselling facilities and facilities for further training of teachers, Prague 2017. Available from: <http://www.infoabsolvent.cz/Temata/PublikaceAbsolventi?Stranka=9-0-142>.

Vojtěch, Jiří and Chamoutová, Daniela. 2018. Development of the structure of pupils and students in terms of the educational attainment levels and occupation in secondary and post-secondary vocational education in the Czech Republic and regions, and the position of young people on the labour market in comparison with the situation in the European Union - 2017/18. Praha: NIE, 2017. 46 pages.

Available from: [http://www.nuv.cz/uploads/download/2018/VYVOJ2017\\_cele\\_pro\\_www.pdf](http://www.nuv.cz/uploads/download/2018/VYVOJ2017_cele_pro_www.pdf).

decreases with the size of the town.<sup>23</sup> That poses a potential threat in the event of a downturn of the industry, or the company. Available studies suggest that small municipalities and regional centres are sensitive to changes in the national/global economy, but at the same time they can use development opportunities more dynamically.<sup>24</sup> Representatives of towns in the category of regional centres consider the global megatrend consisting in a possible decline in industrial production as a threat to the development of the town of the given size category more than representatives of municipalities of other size categories<sup>25</sup>. That also proves the significant role of few (or one) dominant, usually industrial, employers in the employment structure.

A 3.1 The cause of an often insufficient employment for highly qualified persons is the structure of firms operating in a given region. These companies do not offer enough positions suitable for this group of the population. The absence of suitable positions for university educated persons makes it difficult to retain graduates of regional universities in some district towns.

A 3.2 At the same time, the businesses located in this category of towns are often on lower levels in the global value chains and thus often offer fewer professionally demanding and therefore better paid positions.

A4. Small municipalities in the hinterlands of regional centres perceive the accessibility and quality of public and commercial services and the quality of transport infrastructure (e.g. quality of pavements and roads, or conditions for cycling) as problematic<sup>26</sup>.

A 4.1 In regional centres and smaller municipalities in their hinterlands, it is a challenge to ensure adequate availability of public and commercial services.

A 4.2 Many regional centres face transport problems. At least some towns located on main transport routes or nodes (e.g. Chrudim) have problems with heavy traffic in their centres. Another problem is also the connection to the motorway network or a quality connection to TEN-T. In the category of regional centres, a frequent traffic problem is also the poor availability of parking places, excessive traffic intensity and poor condition of roads<sup>27</sup>. However, smaller municipalities are often unable to finance major repairs / construction from their own resources and if so, it is often a significant, many-year burden on local budgets.

A 4.3 Problems related to heavy traffic in town centres (noise, pollution).

A5. In this category of towns (and their hinterlands), the number of socially excluded persons or persons at risk of social exclusion and poverty increases faster than elsewhere.

A 5.1 The phenomenon of social exclusion has ceased to be predominantly urban in recent decades, and socially excluded persons have moved / have been moved to remote communities with a poorly functioning infrastructure.

A 5.2 Growth of social problems and poverty - a widening gap

### ***Consequences:***

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<sup>23</sup> ESPON (2014): TOWN. Small and medium sized towns in their functional territorial context. Scientific report.

<sup>24</sup> As above

<sup>25</sup>UTM CR (2017): Starting points for establishing the position of the Union of Towns and Municipalities of the Czech Republic on the Cohesion Policy of the European Union after 2020 - working version.

<sup>26</sup>UTM CR (2017): Starting points for establishing the position of the Union of Towns and Municipalities of the Czech Republic on the Cohesion Policy of the European Union after 2020 - working version.

<sup>27</sup>UTM CR (2017): Starting points for establishing the position of the Union of Towns and Municipalities of the Czech Republic on the Cohesion Policy of the European Union after 2020 - working version.

B1. The consequence is the departure of young and educated people and a smaller influx of new residents.

B2. Young and skilled people tend to leave for higher-order centres.

B3. Towns in this category are often unable to provide public services of sufficient quality and scope. E.g. According to an analysis, a number of municipalities with extended powers in the Liberec Region do not have a sufficient range of social services.<sup>28</sup>

**Potentials:**

C1. Regional centres often have considerable tourism potential, which often plays an important role in discussions on the economic development of this category of settlements, or the whole micro-regions. Settlements of the given category and their hinterlands often have significant potential of spa tourism (most Czech spa towns belong to the category of regional centres and their hinterlands, e.g. Karviná, Mariánské Lázně, Poděbrady) or congress and trade fair tourism (e.g. Litoměřice - a trade fair town of regional importance)<sup>29</sup>.

C2. The category of regional centres can be considered a group with the potential of a high quality of life, also thanks to the high proportion of greenery in the town territory - for example in Děčín, Jeseník and Vsetín, the share of greenery in the cadastral area of the towns exceeds 60%.<sup>30</sup>

C3. Although the national share of agriculture in GDP or GVA is low and decreasing in European comparison<sup>31</sup>, agriculture often still plays an important role in rural areas in the hinterland of regional centres. The activities of farming and forestry also ensure a substantial part of the Czech Republic's cultural landscape management.

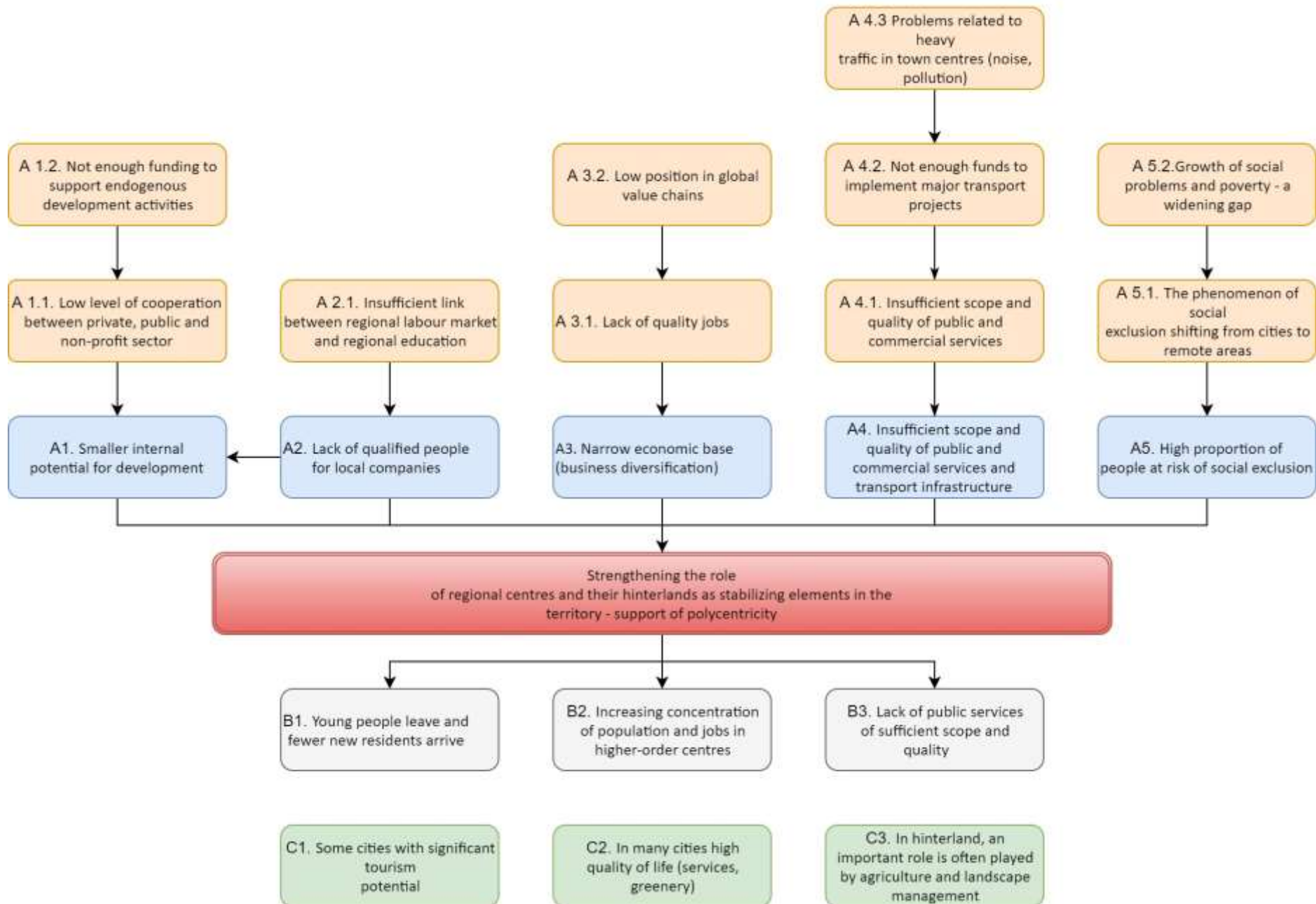
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<sup>28</sup> SocioFaktor (2013): Analysis of socially excluded localities and availability of social prevention services in these localities in the Liberec Region.

<sup>29</sup> MoRD (2014): Concept of the State Tourism Policy 2014-2020

<sup>30</sup> According to data from the European Environment Agency.

<sup>31</sup> Institute of Agricultural Economics and Information (2016): Report on the Situation in Agriculture of the Czech Republic in 2016.



## **STRUCTURALLY AFFECTED REGIONS**

### ***The main problem:***

A common problem of the structurally affected Regions is the low rate of economic growth and the lagging behind the other regions of the Czech Republic. That is a fundamental internal characteristic of these Regions and at the same time a key problem that frames the other partial and thematically more narrow problems. The economic growth rate in all three Regions (Ústí nad Labem, Moravian Silesian, Karlovy Vary) has long been below the Czech average and is losing to the fastest developing regional economies. However, the economic lagging is slightly different for each of them. It has the strongest macroeconomic impact in the Karlovy Vary Region, which was one of the economically strongest regions of the Czech Republic still in the mid-1990s, and lost significantly by its long-term stagnation even during the period 2002–2007 when the other regions grew relatively fast. On the contrary, the Ústí nad Labem and Moravian-Silesian Regions grew very fast in that period, thanks to higher FDI inflows and the specific structure of the economy. Their stagnation from the macroeconomic point of view started to be felt especially in recent years after 2009, in the Moravian-Silesian Region it was augmented by the rapidly erupting problems in the metallurgical and mining industries.

A direct part of the economic problems is the low attractiveness of the Regions for living, a smaller offer of jobs and careers with good prospects not only for young and qualified professionals (having a negative influence on the Region's inhabitants and on attracting people from outside the Region) and worse conditions and low attractiveness for business. This part of the main problem is common to all three Regions and affects them with a very similar intensity. All the factors interact, condition and multiply the negative impacts on the Regional economy and society. At the same time, their impact and their manifestations are even stronger in the peripheral areas of the Regions<sup>32</sup>, which are often burdened by these problems even more, since they are considerably peripheral even in the national comparison.

The overarching cause of the above-described problem of the Regions' economies, which also affects other aspects of the problem, are the economic conditions with which the Regions entered the period of transformation in the early 1990s. All of the three Regions shared a major specialization in traditional mining, energy, chemical, heavy metallurgical industries and, except for the Moravian-Silesian Region, the production of non-metallic mineral products (glass, porcelain, building materials). These industries were characterized by high raw material and energy intensity, difficult working conditions and the use of a specially qualified workforce, which was supported in the previous decades by strategic decisions from the central level, imposed on the three Regions<sup>33</sup>.

### ***Sub-problems and causes:***

A1. A sub-problem is the poor quality of human resources.

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<sup>32</sup> The areas of Teplice, Toužim, Žlutice, Hranice and Kraslice in the Karlovy Vary Region; Šluknov Hook and Podbořany in the Ústí nad Labem Region and Bruntál and Jablunkov in the Moravian Silesian Region.

<sup>33</sup> E.g. the immigration policy, very benevolent conditions of environmental protection, construction of technical infrastructure and public facilities, education system and other.

A 1.1 The low quality of human resources is related to the historical socio-economic circumstances of the development of the Regions, but it is also influenced retroactively by the actual problem of weak economic growth.

A 1.2 The low quality of human resources is closely related to the lower level of educational attainment, which has several aspects, in particular the insufficient preparedness of human resources for labour market needs, both from professional (wrong qualifications) and from personal perspective (absence of work habits, motivations). In all three Regions, the average level of education attained is lower, which is also influenced by the selective migration of educated people, and in the case of the Karlovy Vary Region by their commuting to better employment opportunities in the neighbouring Germany.

A2. In the Regions, public R&D capacities are little developed (almost non-existent in the the Karlovy Vary Region). Although investments mainly from the Structural Funds are gradually changing this, their contribution to the economic development of the region and the transfer of knowledge and applications to the business sector is small so far.

A 2.1. The overall innovation performance of the monitored Regional economies is below average, which is also related to the low level of entrepreneurship.

A 2.2 Innovations, especially technical ones of higher order, are not very common in corporate strategies. This also implies a smaller role of R&D in activities of the corporate sector, as these are more often an ingredient of the innovation processes of companies in knowledge-intensive industries and are primarily part of higher-order innovations.

A3. Economic performance in all three Regions is hampered by low entrepreneurship and low intensity of starting up new businesses.

A 3.1. This is due not only to the lower educational attainment, but also to the long interrupted tradition of entrepreneurship - practically continuously throughout five decades of the 20<sup>th</sup> century.

A 3.2. At the same time, all three Regions are specific in that they hosted, for a long time, strong and large enterprises which have further strengthened the employment culture among people and their low risk appetite, which is still evident today.

A4. During the period of transformation and return of the market environment, the traditional industries and firms operating in them were exposed to rapid changes in the external environment (market conditions, competition, customers, technology), but also to fundamental internal changes (especially transformation of ownership, inducing changes in the corporate strategies, objectives of the owners and their capital strength). Many of them were forced to reorient their activities to other markets (in both geographical and product terms) due to the disintegration of the original value chains, which was, in some cases, accompanied by a downgrade of economic activities<sup>34</sup> and significant reductions of the production (and an implied decrease in the number of employees). The companies in the Regions underwent this phase with varying success and speed, it often lasted 10 years or more.

A 4.1 In some cases, it was speeded up by the entry of a foreign investor, who brought modern technology and managerial governance techniques, as well as the business competence and strength of the parent company, which helped to secure new markets for the production of

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<sup>34</sup> Companies that previously specialized in the final product began to specialize in supplying components to other manufacturers or products under the trademark of other manufacturers.

firms. Such enterprises attractive for an entry or takeover by foreign investors were fewer in these regions compared to the other regions of the Czech Republic. At the same time, however, new investors (so-called greenfield investments) did not come to these regions to such a large extent, and if so, they often brought activities with lower added value, mainly of a production/ assembly nature, although differences between the regions are significant in this respect. Nevertheless, the character of FDI was one of the major causes of the less successful economic transformation in these three regions, while FDI played a crucial role in that transformation in the Czech Republic in general. In this aspect, the regions differ slightly from each other, as FDI inflows have grown faster in the Ústí nad Labem and Moravian-Silesian Regions over the past 10 years, and in some individual cases these were also integrators, i.e. producers of final products. In the Karlovy Vary Region, the interest of FDI is increasing, not only the interest of new investors in localization, but also of existing companies seeking to expand production and other activities<sup>35</sup>, but a more important barrier in this Region than elsewhere is the lack of prepared and sufficiently large premises in industrial zones, although the Moravian-Silesian and Ústí nad Labem Regions feel this barrier too.

**Consequences:**

B1. The low rate of economic growth in the majority of the Regions is reflected in <sup>36</sup>lower job creation, which leads to problems with high unemployment, escalating especially in locations affected by the ongoing or finishing transformation of traditional sectors associated with the reduction of production capacities.

B2. At the same time, due to the structure of the economy, there is a low supply of highly qualified jobs for educated specialists in the Regions, and because of the Region's low attractiveness for living, work and business, it causes selective migration of talented, enterprising, creative and capable people out of the Region. This further undermines the endogenous development opportunities of the regions.

B3. As a result, the attractiveness of the Regions for new foreign and domestic investors continues to decline, which is due, apart from the above factors, to a lack of suitable and adequately prepared sites for business real property and of large, strategic industrial zones. If problems persist or continue to deepen, the exit of already established investors may also be a threat.

B4. The weak economic performance, the prevalence of economic activities with lower added value and the specific structure of the economy make the wage level in the Regions below the average. This is most evident in the Karlovy Vary Region, where the cause is the large share of the services sector in employment, which very likely produces a higher representation of the informal economy. In the Ústí nad Labem and Moravian-Silesian Regions, the average wages are slightly higher (but still below the median wages of the Czech Republic), which is due to higher employment in branches where higher wages are paid thanks to higher productivity and greater representation of large and strong firms (chemical production, mining, power engineering, heavy engineering and metallurgy).

B5. Nevertheless, poverty and the number of socially excluded localities and the population living in them are increasing in the Regions (mostly in the Moravian-Silesian and Ústí nad Labem Regions). This is due not only to low wages in some areas of the Regions, but also to high unemployment and rapid

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<sup>35</sup> This cannot be proven by aggregate statistical data due to unavailability of current data, but it is indicated by information from interviews with stakeholders and by generally available information on industrial zones in the Region.

<sup>36</sup> Also within the Regions, there are areas that achieve lower unemployment for various reasons (the districts of Cheb, Aš, Frýdek-Místek, Nový Jičín, Roudnice nad Labem).

aging of the population and an increase in the number of people in retirement age. Another reason is also selective migration, for example, groups of the socially weak move to the Ústí nad Labem Region because of lower real estate prices, which increases social tensions in the region. The unemployed and people of retirement age are the groups most at risk of poverty and social exclusion. This is also related to the setting of the social system, which little motivates in particular indebted people to seek work. It also contributes to the emergence and expansion of socially excluded localities.

B6. A common manifestation of the above-described consequences is stagnation and deterioration of the standard of living of the population and a decline in their welfare, which stems not only from the poor economic performance of regions and their lagging behind the more advanced regions of the Czech Republic but is affected by other factors that are not direct attributes of the regional economy but are indirectly related to and affect economic performance and represent certain prerequisites for it, whose improvement can accelerate the economic restructuring of the Regions.

B7. Infrastructure shortcomings - the Regions lack better road connections to major transport arteries outside the Region, or capacity rail links between the main centres in the Regions and the centres of other Regions (especially the Karlovy Vary Region). There is also often a lack of infrastructure for industrial real property (industrial zones and sites prepared for investment). There are also shortcomings in the energy transmission system in the Ústí nad Labem Region.

B8. The stagnation or decline in the quality of public services provided in the structurally affected regions, be it education, culture or social services, is also substantial. E.g. sub-indicators (level of early school leaving, tested educational results, etc.) in the area of regional education point to the phenomenon in question.

B9. Unfinished brownfield revitalizations - unused industrial sites and buildings, areas after mining, all of them often with environmental burdens and unclear ownership structure. They have a negative effect on the attractiveness and image of the Region, but their unfinished revitalization also prevents their use for industrial production, which hinders the inflow of new investors, or for recreation, which reduces their use for cultural purposes and social benefits.

B10. The share of rural areas is decreasing (especially in the Ústí nad Labem and Moravian-Silesian Regions) - the population concentrates in towns and the share of farms and their employees is decreasing - emotional bonds to a place are being lost.

B11. The poor state of the environment in certain localities of the Regions is one of the negative aspects affecting the attractiveness of Regions for living, work and entrepreneurship of the population.

B12. At the same time, the poor state of the environment also negatively affects the image and perception of these Regions and does not contribute to a more effective use of their tourism potential.

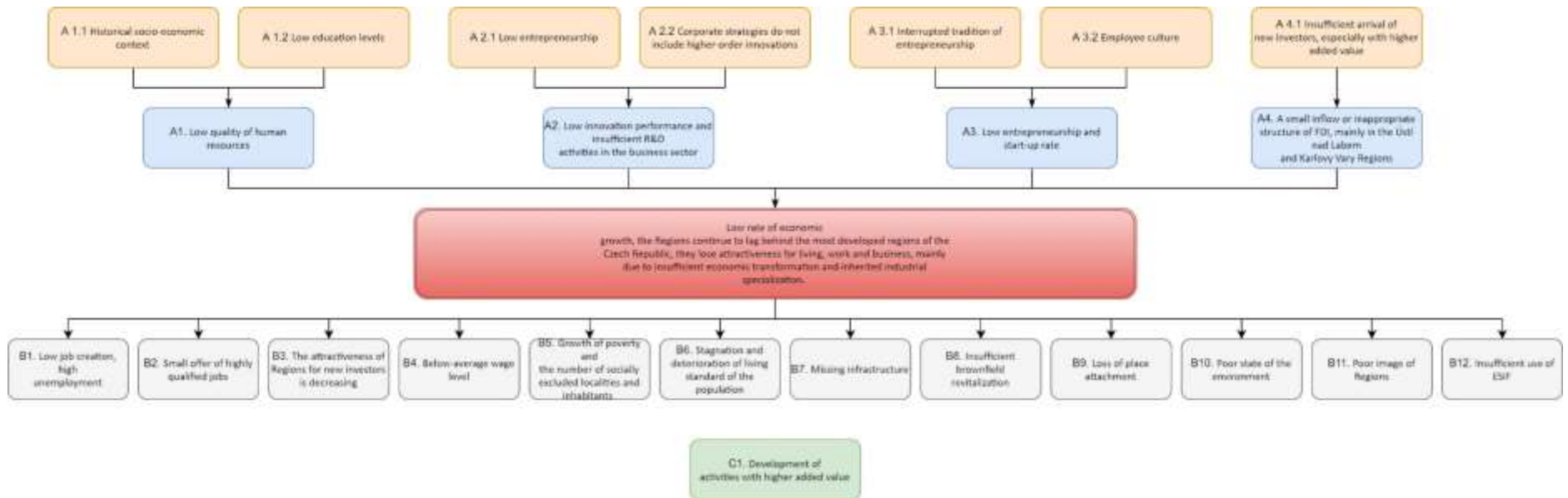
B13. In the Regions concerned, with some exception of the Moravian-Silesian Region, public subsidies (especially from the EU sources) are relatively under-utilized and ineffectively spent to implement activities that actually increase the innovation performance of the economy and thus the region's competitiveness.

### **Potentials:**

C1. In all three Regions, the activities with higher added value are developing at various intensity in branches of foreign companies, especially in the fields of structure design, design, technical development, in exceptional cases also a lower class of research. This is not a widespread phenomenon, but the number of such cases is growing in the Czech Republic, although more so in the other Regions with better conditions and more advanced innovation systems. Slightly more often, this



transformation takes place in the Moravian-Silesian Region which has the strongest tradition of technical higher education among all three Regions and can offer a larger number of technically educated people and partners for cooperation between research organizations and HEIs, compared to the Ústí nad Labem and Karlovy Vary Regions.



## **ECONOMICALLY AND SOCIALLY VULNERABLE AREAS**

### ***The main problem:***

For deprived (rural) territories, it is usually crucial to ensure the supply of job opportunities (or sufficient job opportunities with higher required qualifications), the offer of basic social infrastructure and facilities for carrying out everyday activities.<sup>37</sup> If these attributes are not fulfilled, these areas are referred to as deprived (peripheral) areas. In the Czech Republic, there is a spatial concentration of the various dimensions of peripherality, which are given by socio-economic and demographic characteristics. These are areas characterized, for example, by low qualifications and low living standards, low transport accessibility, low quality of public services, high unemployment and social exclusion, and high outflow of young people. The different peripheral characteristics may overlap<sup>38</sup>.

The problem of deprived territories are generally worsened or worsening living conditions and fewer development opportunities or more difficult options to participate in the development and growth of the Czech Republic. In the Czech environment, the economically and socially deprived territories take more forms. One way of dividing these territories is to inner and outer peripheries or to areas at great distances from regional centres, areas that have lost a large number of jobs as a result of restructuring and have failed to replace them with other activities, rural areas in the hinterlands of large cities that have a positive migration balance but are characterized by a high unemployment rate and social exclusion.

### ***Sub-problems and causes:***

A1. The main problems of the deprived territories include the generally poor economic performance.

A 1.1 The weak economic performance is caused by low productivity of companies and low added value. The structure of the economy is specific in deprived territories - it is often a simple and low-competitive production that does not have sustainable potential. The opportunities of traditional production with sales in the region often remain unused.

A 1.2 Successful local firms tend to have limited opportunities for further growth, connected with low quantity and quality of human resources, and as a rule they leave when they want to grow.

A 1.3 Many businesses do not make sufficient use of the region's endogenous development potential, whether it be agricultural diversification (e.g. unconventional production) or structural diversification (e.g. direct sales of final products).

A2. For certain types of economically and socially vulnerable areas, a sub-problem is the deteriorating social structure (age, educational attainment, social), especially in the former Sudetenland. In the deprived territories, another problem is social exclusion that has ceased to be predominantly urban in recent decades, and socially excluded persons have moved / have been moved to remote communities with a poorly functioning infrastructure<sup>39</sup>. According to some studies<sup>40</sup>, these are mostly peripheries in the hinterlands of large cities, which, although they have a positive migration balance, are also characterized by high rates of unemployment and social exclusion. The problems of peripheries in the hinterlands of cities are more regional than local. In recent years, there has been an increase in the

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<sup>37</sup> Temelová et al. (2011).

<sup>38</sup> Bernard and Šimon (2017).

<sup>39</sup> GAC (2015).

<sup>40</sup> Bernard and Šimon (2017).

number of socially excluded persons in the inner peripheries, for example based on the concentration of persons receiving a living allowance<sup>41</sup>.

A3. The deprived territories have a worse availability of (quality) public services, culture and, in a broader sense, public facilities and commercial services (education, healthcare, social services). In the field of public services, the lack of physicians is perceived as a major problem which is expected to progressively deepen due to the aging of doctors (particularly in some locations). The tools used to address this problem have not been successful so far. A factor that reduces the quality of life, especially in small rural municipalities, is the disappearance of retail trade. A partial problem is the insufficient offer of leisure activities (especially for children and youth).

A 3.1. The lack of public and commercial services is related to the fact that the areas usually have lower population density where services are more expensive to operate and are therefore less frequent.

A 3.2. As the public transport is also more expensive in the deprived areas, or the connections cannot be as frequent, the lower accessibility of services outside the place of residence is also due to the nature of public transport.

A4. A specific type of economically and socially vulnerable areas are the former military areas<sup>42</sup>. These areas are characterized by low population density, often with a valuable natural environment which may (at least in some cases) serve as untapped potential for development that encourages soft and eco-friendly forms of tourism, along the lines of some Western European countries<sup>43</sup>.

A5. The economically and socially deprived territories are also threatened by climate change. Although climate change also threatens metropolitan areas and agglomerations, in rural areas, the more so in the peripheral position, climate change can have a significant impact.

A 5.1. The significance of the impact in these areas is reinforced by the fact that the geographically more remote countryside still has agriculture as an important sector and its production may be significantly threatened by extreme weather events (e.g. heavy rainfall, floods, agricultural drought)<sup>44</sup>.

A 5.2. Another negative factor is the fact that these territories have the least capacity to deal with the appropriate response (administrative, financial). The most endangered regions include South Moravia, the districts of Rakovník and Žatec and the Central Labe River Basin. In the future, there will be discussions on securing water resources by accumulation in reservoirs where the water balance is already strained.

A6. Although the national share of agriculture in GDP or GVA is low and decreasing in European comparison<sup>45</sup>, agriculture often still plays an important role in rural areas in the hinterlands of regional centres. The activities of farming and forestry also ensure a substantial part of the Czech Republic's cultural landscape management.

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<sup>41</sup> GAC (2015).

<sup>42</sup> The territory of former military areas can be developed only in the parts where the property (land) has been handed over to municipalities according to Act No 15/2015 Coll.

<sup>43</sup> See, e.g., Chromý and Seidl (2010).

<sup>44</sup> Ministry of Agriculture (2014).

<sup>45</sup> Institute of Agricultural Economics and Information (2016): Report on the Situation in Agriculture of the Czech Republic in 2015. "Green Report".

A7. In many economically and socially vulnerable areas, the unavailability of high-speed internet can be identified as a sub-problem, which can be a negative factor in the development of local businesses and it generally reduces the quality of life in a given location.

A8. One of the frequent partial problems is also the unfinished land consolidation, which can concentrate problems with ownership relations mainly in border areas.

**Consequences:**

B1. The consequence of the structure of jobs (professions requiring lower qualifications) is the relatively lower purchasing power of the population. In larger cities, the range of job opportunities is larger and the financial remuneration is better. However, due to the long distance between home and work, commuting to a nearby centre may not always pay off financially<sup>46</sup>.

B2. An important feature of many peripherals is the need to travel longer distances, both for services and job opportunities. Insufficient frequency of public transport service often contributes to the poor accessibility, especially at weekends.

B3. Due to the lack of attractive job opportunities, young people are leaving and the population is aging in most peripheries. As a rule, the departing group consists of the more educated part of the population, mainly due to the absence of highly qualified jobs<sup>47</sup>.

B4. In addition, outer peripheries (i.e. peripheries along the state border) are usually also burdened by economic problems - high unemployment and worsened standard of living<sup>48</sup>.

B5. The physical environment of many peripheral municipalities is deteriorating.

B6. In some types of peripheral areas, especially in areas where the population was largely replaced after World War II, the inhabitants have weaker ties to the locality. The lower level of regional/local identity (i.e. sense of belonging to the place) results in less chance of mobilizing the endogenous potential for development of the territory<sup>49</sup>.

B7. The deepening problems of economically and socially vulnerable areas have the potential to endanger the conditions for the staffing and financing of municipal units of volunteer fire brigades. In the long term, the effectiveness of the emergency aid provided may be reduced and the requirements placed on regional fire brigade units with which the municipal voluntary firefighter units form an interconnected system of area coverage may be increased.

**Potentials:**

C1. The development opportunities in economically and socially vulnerable areas (or at least in a significant part of them) include a relatively higher degree of neighbourly belonging, or social capital, which is largely due to the relatively high share of natives in the population of the municipality. The economic factors of development are therefore rather unfavourable, while the social factors are rather favourable<sup>50</sup>.

C2. Some parts of economically and socially vulnerable areas have high potential for tourism development. On the one hand, this brings potential benefits for economic development, but on the other hand, an intensive development of tourism can also have negative impacts on the localities. It is therefore necessary to support the development of sustainable and considerate forms of tourism in

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<sup>46</sup> Temelová et al. (2011).

<sup>47</sup>As above

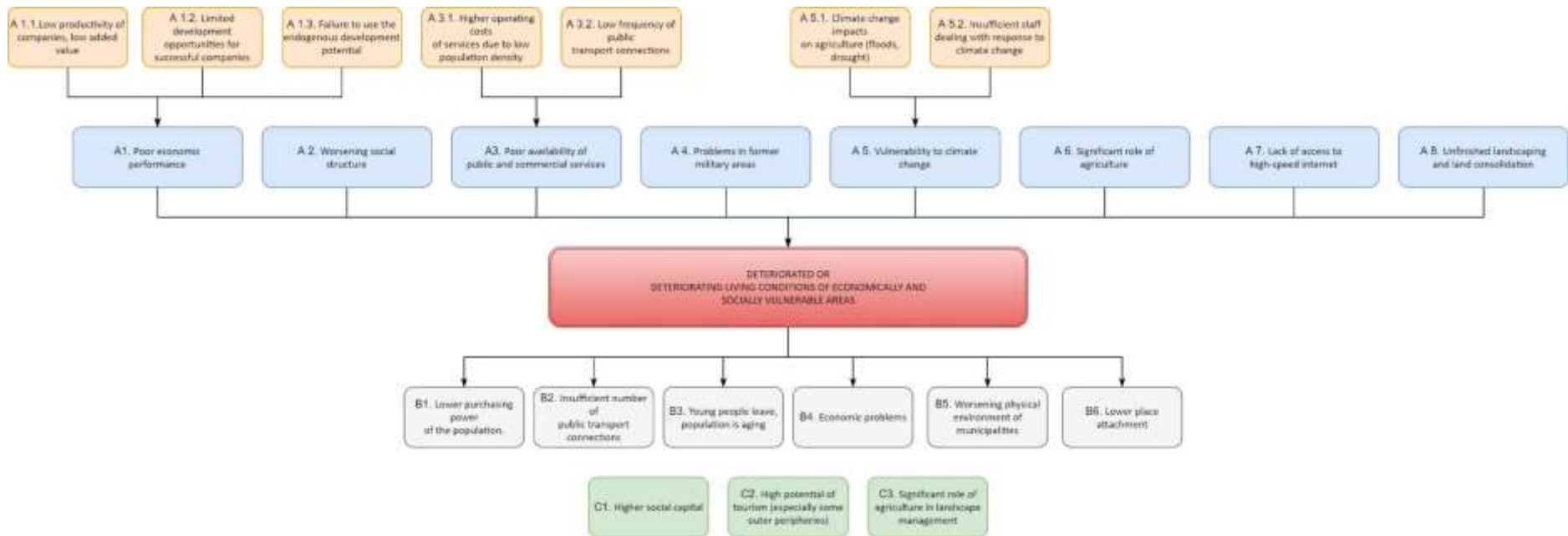
<sup>48</sup>Bernard and Šimon (2017).

<sup>49</sup> Chromý and Skála (2010).

<sup>50</sup> See, e.g., Perlín et al. (2010).

the given territories. In the field of cognitive tourism, the industrial heritage, often remarkably well preserved, has great potential.

C3. Farming and forestry have a major impact on the condition of the landscape, its components and ecosystem functions.



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## 3 PROPOSAL PART

### 3.1 Vision

Regions are effectively capitalizing on their development potential, their social stability is increasing, competitiveness has a sustained, steadily growing trend, and the conditions for quality life of all citizens and the prosperity of companies are improving. The principles of sustainable development and environmental limits are respected. All regions are above or approaching the EU average in terms of economy and quality of life and are at the forefront of Central Europe in attractiveness and competitiveness.

### 3.2 Global objective

- **Metropolitan areas and their hinterlands** are economic drivers of the Czech Republic and their coordinated growth respects their social and environmental limits.
- **Agglomerations and their hinterlands** use their development potential, represent important Regional economic, cultural and academic centres and their coordinated growth respects their social and environmental limits.
- **Regional centres** serve as pillars of the Czech settlement system and are the centres of commuting for services and work. The rural hinterland of regional centres has stabilized population and economy and plays an irreplaceable role in landscape management, has a sufficient network of services and is well connected to regional centres. Agglomerations or metropolises are easily accessible from most regional centres.
- In **structurally affected Regions**, fundamental changes are initiated to enable their economic transformation into new, competitive sectors, and their social and environmental problems are effectively addressed.
- In **economically and socially vulnerable areas**, good quality of life is ensured by providing a relevant spectrum of public facilities and ensuring a functioning local economy based on successful local firms.
- Regional policy priorities, defined in the Regional Development Strategy, are pursued in close cooperation among the MoRD, ministries, Regions and other actors of regional development. The regional policy principles are also reflected in the sectoral strategy papers and policies. Regional development does not induce exploitation of natural resources and damage to the environment to an extent that would non-negligibly weaken the ecological and hydro-climatic functions of the landscape or otherwise significantly damage the environment.

### 3.3 Strategic and specific objectives and type measures

<b>Strategic Objective 1: Internationally competitive metropolitan territories adapted to economic, spatial and population growth</b>	
<b>Specific Objective 1.1: Facilitating the transformation of metropolitan economies towards activities with higher added value and knowledge-based economy, creating the conditions for more significant and more intensive involvement of firms in the European and world economy and for strengthening the position of metropolitan territories in Central Europe in competition with similar territories.</b>	
<i>Type measures</i>	
1.	To develop R&D&I capacities and support the arrival and/or retention of talent and of top researchers
2.	To develop regional innovation systems in metropolises
3.	To improve the position and importance of companies in global networks
<b>Specific Objective 1.2: Improving the transport connections between metropolises and major Central European settlement centres, enhancing quality transport connection between metropolises and their hinterlands, increasing the attractiveness of modes other than motorised private transport and improving the interconnection of different modes of transport.</b>	
4.	To better integrate the public transport system and to develop urban mobility
5.	To improve the connection to European metropolises
<b>Specific Objective 1.3: Providing public facilities in sufficient scope and availability in the metropolitan area cores, suburbs and wider hinterlands and reducing the risk of social polarization and of segregated or excluded localities</b>	
6.	To improve the availability of social and health services
7.	To improve the availability of education and childcare services
8.	To create conditions for affordable housing and to improve housing estates
9.	To improve integration of foreigners at local level
10.	To help develop and exploit the cultural and creative potential of metropolitan areas
<b>Specific Objective 1.4: Effectively using the built-up areas, reducing greenfield construction caused by the growth of metropolitan areas, expanding and interconnecting greenery areas in the urban space and streamlining water and energy management in metropolitan areas.</b>	
11.	To ensure coordinated spatial development of metropolitan areas
12.	To improve microclimatic conditions in metropolitan areas

<b>Strategic Objective 2: Agglomerations exploiting their growth potential and playing the role of important regional economic, cultural and academic centres<sup>51</sup></b>	
<b>Specific Objective 2.1: Improving the conditions for a shift of domestic and foreign companies from cost-oriented competitiveness to knowledge-based competitiveness, and developing smart specialization in agglomerations and their hinterlands.</b>	
<i>Type measures</i>	
13.	To use the economic potential of agglomerations more effectively and to develop the scientific and research bases of agglomerations
<b>Specific Objective 2.2: Improving or completing the connection of agglomerations to nearby large settlements beyond state borders and to neighbouring agglomerations or metropolises, improving transport between agglomerations' cores and their hinterlands and improving conditions for the attractiveness of modes of transport other than motorised private transport.</b>	
14.	To ensure high-quality transport connection and service in the territory of agglomerations for passenger and freight transport
15.	To manage traffic more effectively and help reduce its negative effects
<b>Specific Objective 2.3: Ensuring a sufficient range of services and preventing the emergence and deepening of social exclusion</b>	
16.	To ensure a sufficient range of social and health services
17.	To improve accessibility of education, to ensure quality infrastructure for education and childcare services
18.	To ensure sufficient capacity of affordable and social housing for vulnerable groups or persons who have lost housing - outside segregated and excluded localities
19.	To support the development and exploitation of the potential of agglomerations in the field of culture and tourism
<b>Specific Objective 2.4: Effectively addressing environmental problems associated with the concentration of large population and adapting agglomerations to climate change</b>	
20.	To promote sustainable spatial development of agglomerations
21.	To improve microclimatic conditions in agglomerations

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<sup>51</sup>Type measures under Strategic Objective 2 were developed for the needs of a wide group of agglomerations. It is precisely because of the high heterogeneity of this group that it is envisaged that the type measures under Strategic Objective 1 will also be implemented in agglomerations (where relevant). However, a different intensity of the addressed problems can be expected in metropolises and agglomerations due to different critical sizes of the groups of actors (population size, number and types of economic entities etc.) and different intensity of processes taking place there (e.g. different intensity of suburbanization) and their impacts in the territory.



<b>Strategic Objective 3: Economically stabilized regional centres are easily accessible centres of culture, employment and service for the relevant functional regions, their rural hinterlands have good transport connection to the regional centres, have a sufficient network of services and innovative solutions are applied there.</b>	
<b>Specific Objective 3.1: Creating suitable conditions for diversification of the economic base of regional centres and their rural hinterlands and utilization of their potential, and supporting the interconnection of business entities in relation to labour market needs.</b>	
<i>Type measures</i>	
22.	To diversify economic activities in regional centres and their hinterlands
23.	To improve cooperation between employers, the public sector and secondary schools
24.	To develop consulting centres for starting, small and medium-sized enterprises
25.	To revitalize brownfields
26.	To improve accessibility of high-speed internet
27.	To develop sustainable tourism
<b>Specific Objective 3.2: Improving transport accessibility within regions.</b>	
28.	To better coordinate transport in the regions
29.	To improve the condition of roads and railways
<b>Specific Objective 3.3: Improving the availability of services in regional centres and their rural hinterlands, with an emphasis on cultural heritage, conservation of monuments and local specifics, and responding to problems with aging and the existence or emergence of socially excluded localities</b>	
30.	To renew and modernize the infrastructure and equipment of schools and educational establishments in regional centres and their hinterlands and to provide childcare services
31.	To address problems related to socially excluded localities in the rural environment
32.	To ensure adequate availability of outreach social services and improve the availability of public facilities in rural areas, and to create conditions for community life development
33.	To help develop and exploit the cultural potential of regional centres and their rural hinterlands
<b>Specific Objective 3.4: Caring for the environment of villages and stabilizing the long-term use of the landscape and preventing its degradation</b>	
34.	To strengthen the coordinating role of municipalities in steering the landscape development
35.	To improve the ambient air in rural hinterlands of regional centres
36.	To strengthen the landowner's responsibility for environmental quality
37.	To use modern systems of landscape management and reduce the negative impacts of intensive farming in the territory
<b>Specific Objective 3.5: Enabling energy transformation of the rural hinterlands of regional centres</b>	
38.	To develop new renewable energy sources and energy storage

39.	To modify the transmission and distribution system in order to enable the connection of new renewable energy sources
<b>Strategic Objective 4: Revitalized and economically restructured regions, adapted and flexibly responsive to market needs</b>	
<b>Specific Objective 4.1: Growing businesses able to cope with changes in global markets.</b>	
<i>Type measures - according to economic restructuring action plans</i>	
<b>Specific Objective 4.2: Increasing the volume of foreign direct investment with higher added value in structurally affected Regions</b>	
<i>Type measures - according to economic restructuring action plans</i>	
<b>Specific Objective 4.3: Fostering the growth of innovation performance by research and development that has greater benefits for the economy</b>	
<i>Type measures - according to economic restructuring action plans</i>	
<b>Specific Objective 4.4: Ensuring competent people/workers for the industry, services and public administration</b>	
<i>Type measures - according to economic restructuring action plans</i>	
<b>Specific Objective 4.5: Removing development barriers related to social instability and making better use of the potential to transform and develop the Regions</b>	
<i>Type measures - according to economic restructuring action plans</i>	
<b>Specific Objective 4.6: Revitalizing and regenerating the territory for better entrepreneurship and healthier living of the population</b>	
<i>Type measures - according to economic restructuring action plans</i>	
<b>Strategic Objective 5: Good quality of life in economically and socially vulnerable areas</b>	
<b>Specific objective 5.1: Increasing the diversification of economic activities and supporting the creation of local jobs</b>	
<i>Type measures</i>	
40.	To develop small businesses and SMEs
41.	To strengthen local employment as part of public investment
42.	To encourage external investment
<b>Specific objective 5.2: Ensuring good transport accessibility within the region and in relation to agglomerations and metropolises</b>	
43.	To ensure good transport service
<b>Specific Objective 5.3: Effectively preventing social exclusion and energy poverty and promoting community life in municipalities</b>	
44.	To address problems related to socially excluded localities and prevent their emergence
45.	To develop community life in municipalities
<b>Specific Objective 5.4: Ensuring sufficient public facilities</b>	
46.	To provide public facilities



47.	To reduce the dropout rate in primary and secondary schools and to support early school leavers
<b>Strategic Objective 6: Quality planning of regional development that contributes to the achievement of regional policy objectives</b>	
<b>Specific Objective 6.1: Strengthening the coordination of strategic and spatial planning</b>	
<i>Type measures</i>	
48.	To create a methodology for the coordination of strategic and spatial planning
<b>Specific Objective 6.2: Developing strategic planning based on functional regions and strengthening cooperation among actors in the territory</b>	
49.	To give positive motivation for joint strategic planning
50.	To develop cooperation among municipalities in the performance of public administration
51.	To identify specific needs of public administration in metropolitan areas and agglomerations
52.	To establish and develop a regional system of support for sustainable development
<b>Specific Objective 6.3: Taking into account the territorial dimension in sectoral policies and developing SMART solutions</b>	
53.	To clarify the system of national subsidy schemes
54.	To use the Territorial Impact Assessment tool at both policy and project level
55.	To use smart solutions in both urban and rural areas
<b>Specific Objective 6.4: Streamlining the performance of public administration and promoting secure provision of electronic services to citizens</b>	
56.	To create a central catalogue and search engine for public administration services
<b>Specific Objective 6.5.: Improving work with regional development data</b>	
57.	To improve territorial development planning based on population forecasts
58.	To monitor the concentration of social exclusion in the Czech Republic as a precondition for targeted interventions

## **Strategic Objective 1**

### **Internationally competitive metropolitan territories adapted to economic, spatial and population growth**

Internationally competitive metropolitan areas thanks to the full exploitation of their development potential. A metropolitan area with excellent land transport links to other Central European metropolises and easy access by air to major European and world air transport hubs.

Intensified metropolitan areas with planned growth, where the core and hinterland are equipped with sufficient infrastructure (including public facilities) and are optimally sustainably interconnected by means of public transport (not only by infrastructure for motorised private transport without public transport service) and clean mobility. The metropolitan territories concentrate a large number of economic activities with high added value, including world-class research and development.

Metropolitan areas take care of their environment and are well adapted to climate change. Metropolitan areas support biodiversity and environmentally friendly approaches. Key infrastructure is well protected from emergencies.

**Specific Objective 1.1: Facilitating the transformation of metropolitan economies towards activities with higher added value and knowledge-based economy, strengthening the global position of Czech research, development and innovation, creating the conditions for more significant and more intensive involvement of firms in the European and world economy and for strengthening the position of metropolitan territories in Central Europe in competition with similar territories.**

#### **Justification of the specific objective:**

Research, development and innovation activities in the Czech Republic have grown significantly in recent decades. The transformation of the Czech economy into an economy whose competitiveness is based more on knowledge and production of goods and services with high added value is intensive not only in metropolitan territories. However, the use of theoretical knowledge in practice is still inadequate, as the link between the academic and HEI sector on the one hand and practice (especially corporate) on the other is still weak, although it is gradually improving.

At the same time, a large segment of companies continues to build their competitiveness on low costs and focuses innovation primarily in that area (e.g. on production technologies). Although quality research of an internationally comparable level is concentrated the most in metropolitan areas and the international competitiveness of research teams is improving, this transformation is still insufficiently intensive across the whole research and innovation scene.

From the perspective of foreign companies, the metropolises and their broader hinterlands are among the most attractive when it comes to placing new research, development or innovation activities bringing researchers and other workers from abroad to the Czech Republic. However, metropolises still have insufficiently developed services for foreign workers and their family members (e.g. in primary education) and they are not equipped for a significant influx of qualified foreigners. Moreover, the economic base of the regions is still made up of companies that occupy a disadvantageous position

within global production networks. Work with talented students (at all levels of their education cycle) and internationalization of research organizations is still low.

Solution:

Partial steps will be focused on the development of research workplaces (their infrastructural bases, ensuring high-quality human resources for R&D&I, internationalization and interdisciplinarity in R&D&I, greater involvement in international schemes); better linkage of research organisations to the business sector with a link to smart specialisation development in order to enhance the use of research, development and innovation results in the economy.

Support will also be provided towards linking research organizations to public administration, in particular cooperation with cities. Another subject of support will be the application fields and knowledge/technology relevant to the National Research and Innovation Strategy for Smart Specialization of the Czech Republic (National RIS3; hereinafter referred to as "RIS3").

Targeted support from the State and Regions will be prepared on the basis of thorough knowledge of the real needs of specific research organizations and specific companies, or key sectoral areas of the Czech economy requiring specific knowledge-intensive solutions (supporting repositioning, i.e. a change in the position and importance of the firms in global networks). The entrepreneurial discovery process will be supported, along with the establishment of start-ups and spin-offs and innovation development. The metropolises will focus on coordinated work with talents and highly qualified human resources at all levels (secondary school pupils, post-secondary vocational school students, undergraduate students, postgraduate students and post-doctoral students).

Support will be provided for incoming and reintegration schemes for the stay of experienced researchers and R&D workers in metropolises (i.e. schemes for the arrival of foreign researchers or Czech researchers currently active abroad). The efforts of metropolises to develop and obtain additional benefits from the newly built large research infrastructures and other existing research workplaces will be increased. Among other things, the digitisation of the economy will be developed.

A key precondition for the development of a knowledge-based economy and an advanced society is the creation of a quality education system sufficiently responsive to social and technological changes. Such educational system for the 21<sup>st</sup> century should emphasize, inter alia, technical, scientific, environmental and polytechnic education, foreign language teaching, arts, development of creativity, entrepreneurship, initiative, adaptability, social skills, work with information and education for democracy. Given that the quality of the education system is generally considered by the RDS as a "blanket", territorially non-specific topic, it should be addressed in detail by a separate strategy of the Ministry of Education, Youth and Sports (MEYS), which is its main supervisor.

Type measures:

**Type measure 1: To develop R&D&I capacities and support the arrival and/or retention of talent and of top researchers**

**Problem:** For high added value activities, it is crucial to conceptually develop R&D&I infrastructure reaching European/world level, to develop internationalization of research organizations and interdisciplinarity in research, development and innovation, cooperation with industry, and last but not least to ensure qualified human resources for the relevant sectoral areas. Talented young people often move abroad for permanent residence and there is room for improvement in the system of services for excellent researchers operating in the Czech Republic and their families.

**Content:** Support for the development of science and research centres and large research infrastructures, including investments in technical equipment and support for cooperation with foreign workplaces and industry, support for human resource development and improving the management of R&D&I centres and infrastructures, including researcher mobility.

Mapping the barriers to an influx of top not only scientific experts and talents, or retaining own talents and reintegrating Czech researchers and qualified people. Coordinated and targeted support for gifted students of secondary schools and HEIs from the Czech Republic, studying at Czech schools, grants for the arrival of top scientists and R&D workers, support for internationalization of research organizations in metropolises in the form of mobility schemes. Supporting the creation of facilities for excellent researchers and simplifying their settling in the new environment.

Activities promoting the reputation of a good place for self-fulfilment of top scientists. Creating targeted conditions for family members of scientists (availability of kindergartens, primary and secondary schools, leisure activities and non-formal education, lifelong learning, overall building of infrastructure in the area, as quality public services will have a wider impact on all workers in areas with higher added value).

**Target situation:** A Czech Republic able to maintain the top level of research, development and innovation at European/world level, including research infrastructure and technical equipment, to create conditions for retaining its own talents, gifted students studying at Czech schools and for reintegration of Czech scientists, and able to attract and retain excellent researchers and R&D workers.

**Target group:** research organizations, students with outstanding research achievements, excellent researchers

**Main holder:** MEYS

**Other holders:** MLSA, MoI, MFA, MIT, TACR, GACR

**Main implementers:** municipalities, Regions, HEIs, research organizations, regional innovation centres/agencies<sup>52</sup>

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<sup>52</sup> For the purposes of RDS, the term “regional innovation centres/agencies” refers to regional innovation centres, development agencies or similar regional entities specialized in supporting the research and innovation environment.

### **Type measure 2: To develop regional innovation systems in metropolises**

**Problem:** Regional innovation systems in metropolises are fragmented and locked. As a result, academic and research workplaces have limited relationships with the business sector linked to the development of smart specialization of the metropolises. The innovation demand of companies is low. A persistent mismatch between the needs of the economy and the focus of top research teams.

**Content:** Targeted support for the exploitation of R&D and innovation results in the economy, but also support for technology transfer from one field to another, for example through collaborative research, support for interdisciplinarity in research, etc. Links of academic workplaces to public administration will also be supported, especially cooperation with the City of Prague, Brno, Ostrava, the Central Bohemian, South Moravian and Moravian-Silesian Regions.

**Target situation:** A developed innovation ecosystem in metropolises characterized by increased transfer of technology and knowledge between actors and increased contacts outside the regional innovation system.

**Target group:** actors of science and research in regions, companies

**Main holder:** MIT, MEYS

**Other potential holders:** TACR

**Main implementers:** municipalities, Regions, regional innovation centres/agencies, the business sector

### **Type measure 3: To improve the position and importance of companies in global networks**

**Problem:** So far, there are not many companies achieving a relatively advantageous position in global production networks. The locking of companies on the low tiers of supply chains affects their long-term competitiveness. The low innovation demand of companies is a problem.

**Content:** Targeted support for the quality of the business environment, including the legislative framework. Targeted support to improve the position of companies in supply chains, prepared based on thorough knowledge of the real needs of specific companies. Targeted support of companies to increase the added value of their production and increase the effect of the support by linking the assistance to firms on the axis: innovation, business development, internationalization. Cooperation of institutions, associations and platforms ensuring the activities. Application of the "no wrong door principle"<sup>53</sup>.

**Target situation:** Improved position of companies in global networks, their competitiveness strengthened

**Target group:** companies

**Main holder:** MIT

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<sup>53</sup>Application of the principle "no wrong door" means that companies will receive the necessary help through any partner or will be steered directly to the most appropriate service provider.

**Other potential holders: -**

**Main implementers** : Regions, municipalities, regional innovation centres, CzechInvest, CzechTrade, TACR, CMZRB, CEB, EGAP, Chamber of Commerce, Enterprise Europe Network CR (consortium of six partners headed by the Technology Centre of the Czech Academy of Sciences)

**Specific Objective 1.2: *Improving the transport connections between metropolises and major Central European settlement centres, enhancing quality transport connection between metropolises and their hinterlands, increasing the attractiveness of modes other than motorised private transport and improving the interconnection of different modes of transport.***

Justification of the specific objective:

Strong metropolitan areas are not yet sufficiently well connected to modern transport routes in comparison with Western European metropolises of similar size and importance. Good transport links are also necessary between the hinterland and the core of the metropolis.

Due to environmental considerations, intensive traffic of motorised private and transit freight road transport in metropolises is not desirable. In order to limit it, it is necessary to create a quality- and cost-competitive alternative of environmentally-friendly public transport (railway transport) and to complete bypasses (especially the D0 motorway and the Brno ring road), to build a sufficiently dense network of P+R car parks (not only at the end stations of urban public transport but also at railway stations in the suburban area) and of the public transport system, including strengthening the role and capacity of the suburban and urban railways, and to actively promote multimodal transport, including cycling and walking.

A major problem is also the high degree of motorisation in metropolises (number of cars per 1 000 inhabitants), which is not in line with the size of the public space for motorised private transport. It is therefore necessary to support bike-sharing and car-sharing projects. For metropolitan regions, public transport, accompanied by another space-efficient environmentally friendly and sustainable transport, is key. Reducing motor vehicle traffic in the centres and wider centres of the metropolises will be an important topic to address.

Solution:

Steps will be taken to improve international connections, such as the preparation of the concept of fast connections (a system of high-speed rail and conventional rail of higher parameters), but also an increase in the capacity of the Václav Havel International Airport.

The issue of transport will be addressed in the sustainable urban mobility plans of the metropolises and their suburban areas. Transport will be addressed both in terms of supporting the integration of the public transport system as well as improving the quality of connections to European metropolises (i.e. strengthening trans-regional and transnational links).

Measures will be implemented to improve the interconnection of metropolitan areas by different transport modes to ensure sufficient transport capacities at short intervals and with high reliability. Stimulating and restrictive measures will be supported to promote greater effectiveness of public transport and of alternative modes of transport and to reduce/stabilize motorised private transport, including support for low-emission and emission-free individual transport and a system of sharing

means of transport, as well as to optimize the supply of goods and services in the city with regard to the principles of city logistics.

Given the environmental aspects, the insufficient size of the public space for transport and the need to increase the attractiveness of the city for public life, intensive metropolitan traffic is not desirable. It is desirable to further develop suburban and intra-city rail connections as the backbone of integrated transport, while developing rail capacity for freight transport.

The solution must include a significant enhancement of the role of intelligent transport systems and user applications supporting reliability and safety, including acceleration of transit for IRS components during their rescue missions, multimodality, comfort and more efficient use of transport infrastructure for its users. In metropolitan areas, the infrastructure for cycling will be strengthened in terms of ensuring an adequate connection from the hinterlands to the city centres, and the building of P+R and B+R, modernization of the public transport fleet, etc. will be supported. To increase intermodality, the metropolises will strengthen bikesharing, safe storage of own bicycles and carsharing.

Steps will be taken to strengthen the international transport links of metropolises (in particular the preparation of the concept of fast connections, solving the capacity problems of railway junctions in metropolises and completion of key sections of the motorway network). In this context, it is also essential to work on quality and capacity connections to international airports and on strengthening the function of the international airports (Prague, Brno, Ostrava).

When developing the transport infrastructure, it is necessary to take into account requirements related to adaptation to landscape change and permeability for migration of animals.

Type measures:

**Type measure 4: To better integrate the public transport system and to develop urban mobility**

**Problem:** A large number of people travel daily from the hinterland to the core city for work, services or schools. Due to the high use of motorised private transport, problems arise (congestion, pollution, reduced safety for pedestrians and cyclists) already in the hinterland on the busiest routes leading to the core, and in the core the problems are further concentrated (e.g. parking problems, etc.).

**Content:** Ensuring sufficient capacity of lines for public transport, increasing transport connectivity and integrating the fares of the individual types of public transport. Support for building P+R and B+R. Increasing the attractiveness of public transport by modernizing the fleet, but also by increasing the frequency of service and the offer of lines that will meet passenger demand. Planning the transport to ensure its sustainability - using sustainable urban mobility plans. Increasing the share of non-motorized and alternative transport - identifying key locations or investing in and complementing the relevant infrastructure - modernization and reconstruction of class II and III roads, cycle paths for commuting to work or to the nearest urban public transport (e.g. metro station), parking of bicycles (parking towers, etc.).

Restrictive measures (e.g. city-centre toll system, inner city speed limits, low-emission zones, selective entry bans) will also be considered in order to better plan intra-urban mobility where relevant (e.g. protection of cultural heritage, protection of human health). Possible concrete solutions will also be

identified on the basis of good practice learnt from the Partnership for Urban Mobility. The possible solutions include the development of clean mobility.

**Target situation:** An increased share of sustainable forms of transport in the traffic volume, eliminated negative effects of motorised private transport and a lower level of motorisation.

**Target group:** public transport users

**Main holder:** MT

**Other potential holders:** MoRD, MoE

**Main implementers:** Regions, municipalities, local action groups, voluntary associations of municipalities

***Type measure 5: To improve the connection to European metropolises***

**Problem:** The Czech Republic does not have a completed transport infrastructure enabling quality connections with European metropolises.

**Content:** In the field of air transport, it is necessary to increase the capacity of the Václav Havel Airport Prague as the number of flights is at the limits of the current runway. With the growing number of passengers, it is necessary to put into operation a capacity connection between the airport and the Prague city centre. In the future, it is appropriate to develop also the Brno airport and develop a strategic partnership with airlines. For the Ostrava Airport, it is crucial to establish a scheduled air service linking it with one of the major airports in Europe.

All necessary steps will be initiated to build fast connections and to complete key transport connections (especially in the direction of Austria) and the Prague ring road. All these activities are described in the already existing national strategic documents, their implementation is conditioned by obtaining funding and the appropriate permits (e.g. EIA). For the Brno metropolitan area, an important issue will be the solution to the reconstruction of the railway junction and the city ring road.

**Target situation:** Transport infrastructure providing good connections with European centres, capable of diverting transit traffic out of settlements.

**Target group:** transport infrastructure users

**Main holder:** MT

**Other holders:** MoE (in relation to EIA), MoRD (in relation to spatial planning and the positioning and permissions of structures)

**Main implementers:** MT, RMD, SŽDC (Railway Infrastructure Administration), Regions

**Specific Objective 1.3: *Providing public facilities in sufficient scope and availability in the metropolitan area cores, suburbs and wider hinterlands and reducing the risk of social polarization and of segregated or excluded localities***

*Justification of the specific objective:*



Given the number and structure of jobs, the metropolitan area attracts new population or people commuting on a daily (or multi-day) basis. As the population (using the city) increases and its structure changes (growth of the 6-15 and 65+ age components), it is a challenge to respond effectively to the pressures stemming from population growth, especially in terms of ensuring a sufficient scale and quality of public services (e.g. through the gradual abolition of their territorial competencies) and housing. Specific problems are also caused by the increase in the number of one-person households. A big issue are rising prices of flats and rental housing in economic centres, especially in Prague. Gentrification processes may also have major negative social impacts in the context of diminishing housing affordability.

The lack and non-affordability of flats results in the growth of suburbs. Even in these areas, steps will be taken to ensure at least a minimum standard of public facilities. Sufficient scope of public facilities is also needed in the hinterlands (catchment areas) of metropolitan areas, which cannot be considered as suburbia. At the same time, public facilities in the hinterlands of metropolitan areas need to be addressed in the context of the daily behaviour of local residents, who often use services in the cores of metropolises.

Large towns also experience concentration of marginalized groups of urban population (e.g. people with mental health problems, people at risk of addiction, homeless people, ethnic minorities such as the Roma, etc.), for whom sufficient quality and range of public facilities must be ensured. At the same time, cities are becoming more diversified, the share of foreigners in both high- and low-skilled jobs is increasing, which makes specific demands on services and education.

#### Solution:

In the hinterlands of metropolitan areas, sufficient scope and quality of public facilities will be ensured, including the availability of attractive housing. In metropolises, there will be better provision of public facilities (e.g. micro-creches, children's groups, nursery and primary schools, libraries) also for foreigners so as to facilitate the arrival of highly qualified labour (including family members) from abroad and integration of all groups of foreigners.

If municipalities in the hinterlands of metropolitan areas are growing in population (or the population growth of municipalities in metropolitan hinterlands is expected), the planning of public facilities should respect the Standards of Availability of Public Infrastructure<sup>54</sup>, except for social services the planning of which is reserved for Regions based on the current needs.

The availability of housing in all forms of housing will be increased, both on the demand and supply side. The State administration will simplify the processes of territorial and building proceedings (but maintaining public participation and environmental impact assessment), which should speed up the construction and renovation of buildings and reduce the shortage of housing in the cores of metropolitan areas.

Cities will provide sufficient space for housing development in their land-use plans (especially in the cores of metropolises on brownfields and other areas with under-utilized potential) and will actively participate in new housing construction (especially in the segment of affordable rental housing) and in

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<sup>54</sup>Available from: <http://www.uur.cz/images/8-stanoviska-a-metodiky/53-TB050MMR01-Standardy-dostupnosti-verejne-infrastruktury-2017-10-30.pdf>.

expanding and making accessible their own housing stock for non-segregated social and affordable housing. Conditions will be created to stimulate public construction.

Metropolitan centres will prevent the emergence of socially or ethnically excluded localities through interventions in housing estates and other vulnerable areas and by targeted and comprehensive support of vulnerable groups of the population. In their development concepts, cities in this category should also focus on persons threatened by the effects of gentrification.

Type measures:

**Type measure 6: To improve the availability of social and health services**

**Problem:** Within the metropolitan region, there are areas with insufficient supply of social services, whether it is their absence or insufficient capacity, or their inaccessibility for the target group in need in the highly concentrated parts of the metropolis. The service becomes inaccessible in terms of location, time, finances, capacities or definition of the service based on the target and age category of clients.

Other problems are the insufficient coordination of services and focus on all target groups in need, with an emphasis on their community and preventive character. The metropolitan areas experience concentration of marginalized groups of the population, on the other hand, the society is aging and the share of senior citizens is increasing. A sufficient range of social services must be ensured for all these groups. Demographic aging is one of the reasons why it is necessary to develop the system of care for the elderly.

Top medical centres require modernization. The population aging and other influences result in the growing demand for health services provided in the patient's own social environment, and so it is necessary to develop a system of care, providing both health and social services based on the individual needs of the clients in their own environment.

In the area of health services, the metropolitan hinterlands face a shortage of physicians (and nurses) in so-called primary care (i.e. general practitioners for adults, general practitioners for children and adolescents, dentists and gynaecologists) as well as specialists. Top medical workplaces in city centres require continuous modernization. With the aging population and the gradual shift of the focus of care to the community, there is an increasing demand for health services provided in the patient's own social environment.

**Content:** Ensuring the availability of social services based on the identified needs in the individual parts of Regions. In metropolitan areas, it is necessary to work on coordinating social services planning (including better communication across city districts) and to improve the availability of social services in socially excluded localities, including services for the elderly. Ensuring the accessibility of the service locally but also in time. Ensuring the availability of outreach and outpatient social services that will allow people to remain in their home environment, thus reducing their departure to residential facilities.

Building and developing a functional network of quality social services, including their facilities, with an emphasis on their community and preventive character, focusing on the whole spectrum of target groups at risk of social exclusion (persons with disabilities, including psychiatric illnesses, also in connection with the process of psychiatric care reform, at-risk youth, families with vulnerable children,

substance abusers, elderly dependents (including people with dementia), carers for relatives (informal carers), families in material need, ethnic minorities, persons (including children) with autism and behavioural disorders, victims of domestic or sexual violence, foreigners, etc.).

A major challenge is the prevention of housing loss and the emergence of homelessness exit programmes that will be able to handle the complex needs of homeless people (a combination of social problems, psychiatric illnesses, etc.). Another important area are support programmes for returning long-term unemployed and disadvantaged people to the labour market.

Support for modernizing the equipment of highly specialized centres, which will enable medical acts to be performed at world level and to be accessible to patients from all over the Czech Republic, and a maximum use of the high expertise of physicians. Improving access to health services - especially primary care in the metropolitan hinterlands and its connection to hospital care (urgent admissions) and care provided in the patient's own social environment, especially palliative and nursing home care.

Setting up functional cooperation between the MoH, MLSA, MEYS and MoF in addressing services on the borderline between health and social care. It is essential to share information, both between healthcare providers and between health care and social care providers. The solution should also include a clear identification of the financial source for the payment of care.

**Target situation:** A functioning network of social services and other support measures, with an emphasis on their community and preventive character, targeting the entire spectrum of target groups at risk of social exclusion, including preventing housing loss, ending homelessness and encouraging return to the labour market. Coordinated planning of social services respecting citizens' needs. A network of social services with optimal capacity for people in an unfavourable social situation who need help from social services.

Sufficient minimum number of specialists and physicians (and nurses) in primary care covering the given metropolis area. A functioning network of health and social services at all levels - from highly specialized care serving the entire Czech Republic to primary care linked adequately to hospital care and to care provided in accordance with the client's needs in the patient's own social environment. Interconnection of social and health services.

**Target group:** providers and users of health and social services

**Main holder:** MoH (methodological guidance, drawing up strategies for the individual target groups, grant support), MLSA (drawing up the National Strategy for Social Services, the Social Inclusion Strategy 2021-2030, the Concept of Preventing and Addressing Homelessness in the Czech Republic until 2020 or the Concept of Social Housing 2015– 2025, the Managing Authority of the OP Employment, methodological guidance, grant support), Office of the Government of the Czech Republic (grant support for addiction services)

**Other holders:** ASI

**Main contractors:** Regions, municipalities, NGOs, providers of social and health services, MoH, HEIs, key actors of teaching hospitals, health insurance companies, voluntary associations of municipalities, Association of Health Insurance Companies

**Type measure 7: To improve the availability of education and childcare services**

**Problem:** Metropolitan areas face a critical shortage of micro-creches and children's groups, which are crucial for enabling parents to return to active working life early, also in the context of increasing labour flexibility. As a result of suburbanisation, the capacity of nursery and primary schools in some regions is approaching its limits and some municipalities have difficulty meeting the demand (for example, municipalities in the administrative districts of the municipalities with extended powers Beroun, Černošice, Šlapanice, Kuřim). There is a lack of infrastructure, offer and a system for lifelong learning.

**Content:** Ensuring accessible micro-creches and children's groups<sup>55</sup> as well as sufficient capacities (by building and renewing quality infrastructure) of nursery and primary schools and libraries as educational centres with regard to demographic development. Improving the strategic planning in this area, including through the use of population projections in the individual parts of the metropolitan area with a link to the possibilities of housing construction according to the land-use plan of the locality and development projects currently under preparation. Reflecting the Standards of Availability of Public Infrastructure in the fast-growing areas.

**Target situation:** Adequate capacities of micro-creches, children's groups and nursery and primary schools.

**Target group:** families with children, children in pre-school education, pupils

**Main holder:** MEYS, MLSA

**Other holders:** MoF, MoRD, ASI

**Main implementors:** education authorities sponsoring schools and educational establishments

**Type measure 8: To create conditions for affordable housing and to improve housing estates**

**Problem:** Metropolitan areas are dynamically growing areas, which are also characterized by a relatively significant population growth. The population growth is not accompanied by an adequate supply of affordable housing. Services for residents and the housing function as such disappear from the centres of large cities. There is also a problem of houses in a long-term disuse, which are gradually dilapidating and reduce the quality of the environment in their surroundings. There is a risk of segregation and concentration of socially weaker people in housing estates. Given the rising energy prices, a significant proportion of households are at risk of energy poverty (i.e. the inability of households to pay for their energy costs and the resulting debt or disproportionate saving and the resulting consequences).

**Content:** In metropolitan areas, creating conditions for affordable housing for all population groups, including socially vulnerable groups. Ensuring a sufficient number of municipal rental apartments. Making use of the unused buildings and returning a function to brownfield properties. Densifying the built-up areas in urban centres and keeping them populated, while preserving or developing green residential infrastructure to provide a wide range of ecosystem services (including adaptation to climate change). By improving the quality of housing estates, making this type of housing more attractive and maintaining an economically heterogeneous population in them.

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<sup>55</sup> It is key to ensure systematic financial (and other) support (by the State, local governments, service providers, etc.) of childcare services such as children's groups and micro-crèches that are an essential tool for involving parents of young children in the labour market and so they prevent poverty and help to maintain a position in the labour market. They enable reconciliation of professional and family life and act as a measure to prevent social exclusion. Such (systematic) support is a cross-cutting theme and applies to metropolitan areas as well as to agglomerations and regional centres and their rural hinterlands.

Working to improve the quality of public space and, equally, to modernize the housing stock which is largely privately owned. It is therefore necessary to motivate its owners through non-subsidy support. The solution should include adaptation of housing estates to climate change (retention and management of rainwater, public spaces and green infrastructure), reducing energy intensity, strengthening local communities and preventing social exclusion and the occurrence of socio-pathological phenomena. Reducing the risk of energy poverty.

**Target situation:** Quality municipal housing stock, a part of which is earmarked for affordable housing. Urban built-up areas with high-quality public space and low incidence of pathological phenomena.

**Target group:** residents of metropolitan areas

**Main holder:** MoRD

**Other holders:** MoE (in relation to residential greenery), ASI, MoLSA (Strategy of Social Inclusion 2021-2030, Concept of Social Housing 2015-2025), MIT (in relation to the energy performance of buildings and energy poverty)

**Main implementers:** municipalities, local action groups, voluntary associations of municipalities

**Type measure 9: To improve integration of foreigners at local level**

**Problem:** The growing share of foreigners creates a specific demand for deployment and coordination of services for this group.

**Content:** Encouraging integration through knowledge-based policies (from strategy development to service delivery). Strengthening the role and competency of local authorities in this process, closer involvement of and cooperation with employers, involvement of the wider public. Informing and educating foreigners about the Czech society and informing the public about the life of foreigners.

**Target situation:** Existence of interconnected services and other tools supporting the integration of foreigners.

**Target group:** foreigners

**Main holder:** Mol

**Other holders:** ASI

**Main implementers:** municipalities, Regions, NGOs

**Type measure 10: To help develop and exploit the cultural and creative potential of metropolitan areas**

**Problem:** Metropolises are important cultural and creative centres whose importance transcends their territorial borders. The population of metropolises, or metropolitan areas is increasing, which scales up the need for the development of their cultural functions. The potential of the positive role of culture and creative activities in the development of core areas is not yet sufficiently exploited.

**Content:** In large cities, there is a concentration of actors in the field of cultural and creative industries, which can be used for the development of the cities and their parts. In order to exploit the potential of the role of culture and creativity in support of regional development, support will be provided to the individual actors (institutions, private entities, artists, etc.) and their activities within the new and wider role of cultural institutions (festivals, art projects and other). In the field of cultural and creative

industries, the aim is to achieve positive impacts on the international competitiveness of cities, to improve public life, attractiveness of places for visitors and to diversify the labour market towards greater integration of the arts professions. The establishment of creative and artistic centres or clusters will be specifically supported in cultural heritage buildings (e.g. by using the unused heritage buildings and sets of structures including industrial architecture, and by linking the individual actors operating in culture). In connection with other activities, it is also advisable to revitalise and modernise monuments, museums, galleries, theatres, libraries and other facilities used for cultural purposes, or to build new cultural facilities. The metropolises focus on optimal cooperation with relevant domestic and foreign entities in order to support artistic professions and ensure beneficial cooperation with artists.

In order to increase the attractiveness of metropolitan areas, it is necessary to ensure the interconnection of culture and tourism and to exploit the potential of making cultural and historical attractions accessible to tourism. At the same time, however, it is necessary to ensure sustainable visitor management and develop sustainable forms of tourism with an emphasis on connecting the metropolises with their hinterlands. In the case of Prague in particular, it is necessary in the long run to promote principles that will lead to a more even distribution of visitors also outside some parts of the historic centre.

**Target situation:** Culturally and creatively attractive metropolises on an international scale, with a productive value of the cultural and creative industry comparable to the best countries in this area (creative/artistic clusters, following the model e.g. of Berlin). Increased share of revitalized and utilized cultural assets such as cultural and technical monuments, natural attractions (while respecting nature protection), cultural events and other. Cultural tourism, cultural industry and creative industries contribute to increasing the attractiveness of metropolitan areas.

**Target group:** actors in the field of culture

**Main holder:** MoC

**Other holders:** MoRD

**Main implementers:** Cities, Regions, cultural institutions, owners of monuments and other attractions, NGOs active in tourism, culture and creative industry, voluntary associations of municipalities

***Specific Objective 1.4: Effectively using the built-up areas, reducing greenfield construction caused by the growth of metropolitan areas, expanding and interconnecting greenery areas in the urban space and streamlining water and energy management in metropolitan areas.***

*Justification of the specific objective:*

In the area of the environment, steps will be taken to reduce the negative impacts associated with the economic and spatial growth of metropolitan areas.

Especially in the cores of metropolitan areas (or generally in urbanized landscapes), negative impacts of climate change can be expected and must be adapted to. For large cities, a specific phenomenon is the overheating of microclimate and inner city surfaces causing heat stress or heat islands, as the temperature measured in settlements is higher than in the open countryside due to high heat absorption by paved surfaces. That may result in a decreased quality of life of the population without

adequate housing and possibly in deteriorated health of certain groups of the population (especially elderly and ill persons and young children).

In connection with climate change, problems may arise in connection with the availability and quality of drinking water (although the sources of drinking water lie outside metropolitan areas), increased occurrence of extreme weather events (torrential rainfall or heat waves) and with ensuring the security of critical infrastructure, property and people's lives.

In the cores of metropolitan areas, there is a large number of free (unused) areas, brownfields and vacant lots, whose development or revitalization is desirable and represents the main tool for reducing suburbanization (new development in the open country). Nevertheless, due to the attractiveness of metropolitan areas, this issue can be often better addressed there than in smaller (regional) centres.

The metropolises achieve energy savings by appropriately adjusting their energy management. Reducing energy consumption contributes to sustainable urban life. At present, emphasis must be placed on qualitative strengthening of energy management and intelligent consumption management. From a global perspective, cities bear the Czech Republic's commitment to reducing CO<sub>2</sub> production.

#### Solution:

Steering the construction to the cores of metropolitan areas, densifying them and creating compact built-up areas with respect to other needs of the territory's development in the context of climate change - ensuring sufficient and interconnected areas of quality greenery, so called residential green infrastructure providing a wide range of ecosystem services.

As the development in the hinterlands of the cores of metropolitan regions will probably continue with regard to the attractiveness of these territories, it is necessary to plan and regulate the new development more effectively. The new development should be located primarily in good accessibility of public transport, in a form and extent that takes into account the values and conditions of the territory. Expansion of building land in spatial planning is possible only in the case of sufficient drinking water supply and subsequent waste water treatment, spatial planning must proceed in compliance with the River Basin Management Plans.

Furthermore, strategic steps related to climate change adaptation will be implemented in the context of the Strategy on Adaptation to Climate Change in the Czech Republic, for example by ensuring sustainable water management. A partial goal is to slow down the surface runoff from the built-up area, preferably through using and infiltrating the rainwater where it falls.

Proposals will be made for such measures and principles that strengthen an effective interconnection of areas with vegetation and improve the ecological stability of the area. In metropolitan areas, additional measures will aim to improve air quality by reducing the sources of that pollution (primarily car traffic) and to improve and increase the resilience of greenery and ensure water retention.

From the nature protection point of view, the metropolitan areas can be considered as important areas of biodiversity which has more favourable conditions for its development here than, for example, in the intensively farmed landscape. The urbanization of unused space will respect the enclaves valuable as a result of natural succession, and will prefer near-natural forms of land use that will be incorporated into urban-designed areas.

Given the importance of metropolitan areas, critical infrastructure needs to be secured as much as possible from emergencies.

Type measures:

**Type measure 11: To ensure coordinated spatial development of metropolitan areas**

**Problem:** Insufficiently co-ordinated spatial expansion of cities - a large amount of areas that can be developed, grabs of agricultural land, also due to the non-use of brownfields and vacant lots. The sub-problems include the limited possibilities of transport services (by public transport, connection to multimodal transport centres of passenger and freight transport), non-conceptual establishment of logistic centres, poor public facilities, low quality of public space and increased pressure on municipal budgets.

New neighbourhoods of family houses and apartment buildings are being built in the hinterlands, where due to the low population density it is very difficult to provide sufficient capacity of services.

**Content:** Proposing adequate development of settlements with regard to their role within the settlement structure and their existing character, to steer the housing development into locations that can be served by quality public transport, especially rail transport, and that are linked to settlements with adequate social infrastructure.

Making more consistent use of existing spatial planning tools, regulating the new construction (phasing, territorial research studies, regulation plans), reducing agricultural land grabbing and clearly specifying the conditions for urban development. Coordination of strategic and spatial planning (including the coordinated involvement of all relevant actors and the public in both processes) will also contribute to improving the situation. Coordination of the development of metropolitan areas/agglomerations is also a task of regional spatial planning tools - the Territorial Development Principles drawn up by each Region. In the case of Prague and the Central Bohemia Region, coordination of spatial development is more difficult for administrative reasons than in the case of the Brno and Ostrava metropolitan areas.

**Target situation:** More effective and coordinated strategic and spatial planning ensuring sustainable development of each municipality with quality environment and services for the life of the inhabitants. Regulated development of settlements with sufficient population density allowing long-term operation of basic services ideally within walking distance and within reach of public transport.

**Target group:** residents of metropolitan areas, owners of land and buildings

**Main holder:** MoRD

**Other holders:** -

**Main implementers:** municipalities, Regions, local action groups, administrative districts of municipalities with extended powers, voluntary associations of municipalities and other public authorities<sup>56</sup>

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<sup>56</sup> Employees of territorial self-governing units play an important role in influencing spatial planning.





**Type measure 12: To improve microclimatic conditions in metropolitan areas**

**Problem:** Climate change will have significant negative impacts on the microclimatic conditions in the city, including an intensifying overheating of artificial surfaces and further deterioration of air quality (photochemical smog, dust generation).

**Content:** A comprehensive set of measures creating synergies and complementarities - protection and development of residential greenery, application of measures to increase the resilience and functionality of greenery, creating integrated systems of residential greenery, planting of insulating greenery along high-traffic roads and industrial sites (existing and planned), supporting greenery on buildings (green facades, roofs), water management (rainwater management, safe use of grey water, efficient water management in industry), efficient use of energy.

In the case of the Ostrava metropolitan area, intensive cooperation with Poland to set common limits and strategic targets for the volume of emitted emissions from all three key sources (industry, local combustion heaters and motorised private transport).

The issue is dealt with in detail and systematically in the strategic documents of the Ministry of the Environment and in the cross-sectoral Strategy on Adaptation to Climate Change in the Czech Republic.

**Target situation:** Cities prepared for climate change and reducing its impact on people's lives.

**Target group:** Residents of metropolitan areas

**Main holder:** MoRD

**Other holders:** MoE, MoA, MIT

**Main implementers:** municipalities, Regions, local action groups, land and building owners, industrial companies, voluntary associations of municipalities

## Strategic Objective 2

### **Agglomerations exploiting their growth potential and playing the role of important regional economic, cultural and research, development and innovation centres**

Agglomerations exploit their development potential and play the role of important regional economic, cultural and research, development and innovation centres; in some cases and scientific disciplines, the centres have important national and international overreaches and impacts.

The agglomerations have good transport links with each other and with metropolitan areas; the transport connection between the agglomeration cores and hinterlands is sufficiently intensive and of high quality. The regions bordering on major agglomerations of neighbouring countries are connected through sufficient-capacity infrastructure. Cities and their hinterlands are well prepared for climate change. The agglomerations provide public facilities of sufficient quality and scope and will seek to eliminate socially excluded localities.

The category of agglomerations is very heterogeneous, while some cities and their hinterlands will have the ambition to maintain their role of an agglomeration and act as strong Regional capitals, other cities will tend towards strong metropolitan areas.

#### **Specific Objective 2.1: Improving the conditions for a shift of domestic and foreign companies from cost-oriented competitiveness to knowledge-based competitiveness, improving the international position of research organizations and developing smart specialization in agglomerations and their hinterlands.**

##### *Justification of the specific objective:*

A distinctive feature of agglomerations is the varying degree and different nature of their specialization, their highly varying position in the national innovation system and the incomplete and unevenly developed regional innovation systems. The individual agglomerations have a very different level/stage of transformation into a knowledge-based economy, they have different levels and different character of foreign investments, especially in terms of such investments in activities with higher added value. The quality and importance of HEIs and research organizations in agglomerations are very diverse and only some of them are more important in international comparison. Also, their cooperation with the business community and their contribution to creating knowledge actually used for economic growth are very diverse, even within a single agglomeration, and the economic benefits are not always related to research or scientific quality. In research facilities in agglomerations that are the centres of Regions, there are often several high-quality or top-level teams of a certain specialization and a number of teams that are not doing as well in national or international comparison.

The economic base of these regions is still predominantly made up of companies that hold disadvantaged positions within global production networks or are part of large multinational corporations and are therefore vulnerable to world market fluctuations. Moreover, the economic benefits of public R&D&I investment in these regions, the commercial exploitation of R&D&I results, the overall level of cooperation with the business sector and the ambition of companies remain low. Work with talented students (at all levels) and internationalization of research organizations are still low.

### Solution:

In agglomerations, support will be provided to activities that utilize and develop their specializations, including any use of know-how in one field to search for opportunities in or to enter another field (smart specialization). Research organizations will be motivated to cooperate more closely with the business sector in the Region and outside it and to make greater use of knowledge for economic development. The development of research infrastructure, the growth of skilled jobs, the development of research-oriented study programmes at HEIs, international contacts and cooperation will be strengthened especially in top-level or growing-level fields. The potential of Regional scientific libraries and other public libraries will be used to ensure access to information for research, development and innovation as well as for science popularization.

In the case of foreign companies, conditions will be created or improved for the groups to allocate their activities with higher added value in the Czech Republic (in agglomerations), and in the case of domestic companies, their efforts to improve their position in global value chains will be supported, mainly their shift to a higher level in them (upgrading) and increased involvement in international markets. The above solutions will also include the identification of talents and the creation of conditions and processes that will lead to their development and allow them to contribute as much as possible to the transformation of the Region (not only in the field of economy).

To support the arrival and stay of knowledge-oriented foreign (multinational) firms, together with their (top) management and highly qualified employees, it is necessary to improve the culture of life in agglomerations in the broadest sense in order to support such executive employees and to offer a sufficient share of quality public services. Last but not least, emphasis will be placed on supporting activities aimed at changing the objectives and content of education at its various levels, which will respond to trends related to digitization, automation and new labour market requirements.

### Type measures:

#### **Type measure 13: To use the economic potential of agglomerations more effectively and to develop the scientific and research bases of agglomerations**

**Problem:** Low competitiveness of agglomerations.

**Content:** Support for the development of scientific and research centres and corporate research centres, including cooperation with foreign workplaces and with the business and industrial base (science and technology parks, hubs), support for entrepreneurship development, start-ups including innovation infrastructure services (coaching, consulting, acceleration programmes), support for the development of specialised services for foreign investors, support of cooperation of secondary schools and post-secondary vocational schools, apprenticeship schools, HEIs and the business sector in the territory with a view to ensuring quality practical preparation of pupils and students (support mainly for bachelor's and master's study programmes at HEIs), participation in research and transfer of knowledge from practice to the school and academic environment and vice versa. Support for library development.

Investing in technical equipment of schools and research workplaces, supporting the development of human resources for R&D&I, supporting the retention of existing quality researchers and attracting new talent from abroad, mobility of scientists (aimed at acquiring knowledge and experience) and their return from abroad, awarding grants to companies (focusing on cooperation with regional schools and domestic and foreign research workplaces) and research organizations (focusing on cooperation with the business sector and their development in the direction of excellence in fields with great potential), development of conditions for the establishment of foreign scientists in the Czech Republic. Especially fields with significant potential and links to RIS3 (national or regional) will be developed. Promoting access to information for research, development and innovation as well as for the popularization of science results through libraries.

**Target situation:** Increased competitiveness and economic position of agglomerations.

**Target group:** cities, research organizations, Czech business sector (small, medium-sized and large firms), foreign investors, excellent researchers, students with outstanding research achievements

**Main holder:** MIT, MEYS

**Other holders:** MoI, MFA, MLSA, TACR, GACR

**Main implementers:** municipalities, Regions, apprenticeship, secondary, post-secondary vocational schools and HEIs, business sector, research organizations, MIT, CzechInvest, regional innovation centres/agencies, business incubators.

**Specific Objective 2.2: Improving or completing the connection of agglomerations to nearby large settlements beyond state borders and to neighbouring agglomerations or metropolises, improving transport between agglomerations' cores and their hinterlands and improving conditions for the attractiveness of modes of transport other than motorised private transport.**

*Justification of the specific objective:*

A sufficient-capacity and fast connection of agglomerations to the nearest metropolis is still not completed in all cases and represents one of the limitations of their development. This applies to both road and rail connections. The connections of some agglomerations to other agglomerations are also insufficient. Some agglomerations do not even have sufficient links to the nearest large foreign cities. A problem, the solution of which is at different stages in different agglomerations, is the attractive suburban transport of sufficient quality and capacity, or the connection of the agglomeration cores with their nearby and more distant hinterlands.

However, transport service in the wider hinterlands of agglomerations is also problematic, as the supply does not always match the demand of passengers. In addition, poor air quality (and other negative aspects) is evident, among other things, due to the high density of motorised private transport and poor transport permeability of cities (both on roads and railways).

*Solution:*

There will be interventions that will contribute to ensuring adequate transport connections with metropolises in the Czech Republic and other metropolises in neighbouring countries and in Europe,

as well as connections of agglomerations with each other. Integrated transport systems will continue to be supported in the Regions, i.e. sub-measures will be aimed at strengthening multimodality between motorised private transport and public (especially rail) transport as well as between the different types of public transport (based on a backbone and full-area service system) in order to alleviate the burden on the cores of agglomerations and streamline the transport from hinterlands, without increasing the load of motorised private transport on the cores. The deficit in transport capacity of roads will be addressed primarily through sophisticated traffic regulation and support for public passenger transport and rail freight transport.

Based on the interventions of the State, Regions and cities, the fleet will be modernized in the sense of supporting emission-free and low-emission and safe public transport, which will always be linked to other measures intended to increase the efficiency of public transport. Improvement of the connection between the hinterlands and cores of the agglomerations will also be supported. The construction of bypasses is essential for some agglomerations as it will contribute to improving the accessibility of TEN-T networks. The rail link between some agglomerations will be connected to high-speed lines.

The airports of some agglomerations will be strengthened in view of the need for their development by connecting them to European transport hubs. With regard to the objectives of European transport policy, it is necessary to ensure capacity mainly for long-haul and intercontinental flights, at the expense of short-haul flights, which should be replaced by fast rail.

The implementation of intelligent transport systems (traffic management based on the current situation, guiding to free parking spaces, etc.) will also be supported in order to reduce the negative impacts of transport.

The issue of transport will be addressed, among other things, in the sustainable mobility plans, the drawing up of which is recommended for cities over 20 thousand inhabitants.

Type measures:

**Type measure 14: To ensure high-quality transport connection and service in the territory of agglomerations for passenger and freight transport**

**Problem:** Insufficient transport links (frequency and travel time) with metropolises, insufficiently served functional area (core-hinterland), low investment in transport infrastructure (connection to metropolises in the Czech Republic, other European metropolises in the border areas of neighbouring countries and other European metropolises, TEN-T, a system of fast connections, support of airport development in accordance with the Air Transport Concept), further development of the potential of urban public and non-motorised transport.

**Content:** Support for ensuring transport service in the territory through the development of fare and operational integration, investments in urban and suburban public transport fleets (respecting environmental aspects), construction of transport terminals and multimodal hubs, support for non-motorised transport, telematics, investments in rail and road infrastructure (e.g. railway lines, modernization and reconstruction of class II and III roads), with good connection to the metropolis and TEN-T (planned high-speed rail in the context of fast connections), support for bikesharing and carsharing, investment in airport development. Support for the construction of P+Rs linked to urban

public transport and support for the construction of bypasses (linked to possible low-emission zones or the introduction of selective vehicle-entry bans).

**Target situation:** Higher-capacity and accelerated transport links between agglomerations and metropolises in the Czech Republic, other metropolises in Europe and in the border regions of neighbouring countries, improved transport service in the functional areas (core-hinterland), increased modernization of fleets and environmentally friendly modes of transport.

**Target group:** city dwellers and commuters, potential investors

**Main holder:** MT

**Other holders:** MoE, SŽDC (Railway Infrastructure Administration), RMD, road maintenance administration, carriers (public, private)

**Main implementers:** Regions, municipalities and their transport companies, SŽDC, RMD, voluntary associations of municipalities

**Type measure 15: To manage traffic more effectively and help reduce its negative effects**

**Problem:** Poor air quality caused, among other things, by high density of motorised private transport and poor transport permeability of cities that has other negative aspects (e.g. noise, dust or parking problems).

**Content:** Support for the deployment of intelligent transport systems (traffic management based on the current situation, guiding to free parking spaces, acceleration of transit for IRS components during their rescue missions, etc.) and sustainable forms of transport.

**Target situation:** Reduced pollutant emissions from transport thanks to a reduction in unnecessarily driven km (e.g. in search of free parking space) and improved traffic flow and safety.

**Target group:** city dwellers and visitors

**Main holder:** MT

**Other holders:** MoE, MoRD

**Main implementers:** municipalities, Regions, local action groups, RMD

**Specific Objective 2.3: Ensuring a sufficient range of services and preventing the emergence and deepening of social exclusion**

Justification of the specific objective:

Although the category of agglomerations is relatively heterogeneous, many of them have long-term problems with large socially excluded localities and a high proportion of people with serious social problems such as over-indebtedness, long-term unemployment, low educational attainment, etc. (e.g. Ústí nad Labem, Chomutov). Due to the diversity of cities in this category, their demands on ensuring a sufficient range of public services - both in the cities and in their hinterlands - also differ.

At least in some agglomerations, the suburbanization process is a phenomenon, albeit at a lower intensity than in the category of strong metropolitan areas. Nevertheless, even here it is a challenge to ensure sufficient capacity and quality of services in the hinterlands of agglomerations (including the

growing suburbia). Same as the strong metropolitan areas, agglomerations experience concentration of marginalized population groups (e.g. homeless people).

In economic centres (Pardubice, Pilsen, etc.), a specific challenge is the concentration of often temporary foreign workers (both from EU and third countries), who have specific needs with regard to the provided services and they increase the demands on local infrastructure. Foreign workers often also put pressure on relationships and coexistence in the locality. At the same time, it is necessary to take into account that some foreigners settle in such places.

*Solution:*

The activities of the cities will aim to strengthen the prevention of social and spatial exclusion. Due to their role in the settlement system, the agglomeration cores will offer specialized services of sufficient scale and quality, also in view of the high number of vulnerable groups (people with mental health problems, homeless people, people at risk of addiction, ethnic minorities, mainly the Roma). Even in agglomerations and their hinterlands, it will be necessary to address the requirements of aging population. In this context, it is therefore necessary to work on ensuring adequate capacities of residential and field social services and capacities of health care.

The quality and supply of infrastructure for leisure, cultural and sporting activities will be improved in the agglomerations and their hinterlands, also in a link to reducing the risk of civilization diseases. Exploiting the potential of public libraries as educational, cultural and community centres.

If municipalities in the hinterlands of agglomerations are growing in population (or the population growth of municipalities in an agglomeration hinterland is expected), the planning of public facilities should respect the Standards of Availability of Public Infrastructure<sup>57</sup>, except for social services the planning of which is reserved for Regions based on the current needs.

In agglomerations of this category, there is often a relatively sufficient supply of vacant apartments in insufficiently attractive locations, so the problem is their quality and accessibility, for example for certain population groups with specific needs (senior citizens, persons with reduced mobility and orientation, single parents) and segregation. It is also necessary to support the development of high-quality public space and its cultivation in housing estates and housing developments in cities.

Support of targeted services for foreigners, which will help the co-existence in sufficient quality, structure and quantity, for foreigners both from EU and third countries, support of local relationships and prevention of conflicts in places with concentrated foreign workers.

Promoting attractive public space and attractive housing. High-quality housing stock and public spaces with low incidence of pathological phenomena. A quality public space is a prerequisite for preventive action against socially pathological phenomena.

*Type measures:*

***Type measure 16:* To ensure a sufficient range of social and health services**

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<sup>57</sup> Available from: <http://www.uur.cz/images/8-stanoviska-a-metodiky/53-TB050MMR01-Standardy-dostupnosti-verejne-infrastruktury-2017-10-30.pdf>.



**Problem:** Social services often have insufficient coverage, capacity and, in some cases, quality. The offer of social services does not correspond to demographic changes (population aging) or current needs. The population aging or suburbanization also brings increased demands on health services, especially in the area of primary care and care in the home environment. Problems persist with socially excluded localities in cities and with homelessness.

**Content:** Investments in the whole range of social services (mainly field, out-patient and residential social services of a community nature) and community work. With regard to demographic trends predicting significant aging of the population, it is necessary to secure funds for investment activities aimed at building residential social services for the elderly. Support for the development of health services with an emphasis on primary care (and its link to hospital care in the form of emergency admissions), home care and palliative care.

**Target situation:** Ensured quality of life and accessibility of services in agglomerations. Interconnection of social and health services.

**Target group:** users of social and health services<sup>58</sup>

**Main holder:** MoH (methodological guidance), MLSA (author of the National Strategy for Social Services, Concept of Preventing and Addressing Homelessness in the Czech Republic until 2020, Strategy of Social Inclusion 2021-2030)

**Other holders:** ASI

**Main implementers:** Regions, municipalities, NGOs, social service providers, health insurance companies, medical care providers, voluntary associations of municipalities

#### ***Type measure 17: To improve accessibility of education, to ensure quality infrastructure for education and childcare services***

**Problem:** As in metropolitan areas, the share of micro-creches and children's groups and the capacity and quality of educational establishments, especially for pre-school and primary education, as well as public libraries, are stagnating in agglomerations. Partial surveys also point to the absence or poor quality of school infrastructure and facilities, for example in secondary education.

**Content:** Ensuring accessible micro-creches and children's groups<sup>59</sup>, as well as supporting the building and renewal of infrastructure and facilities of schools and educational establishments at pre-school and primary level, building and renewing the infrastructure and facilities of public libraries as information, education, cultural and community centres with regard to the demographic development and specific needs of the different social groups of the population. Ensuring the renewal of infrastructure and equipment of secondary schools and support for leisure activities.

**Target situation:** Ensured quality of life and accessibility of services in agglomerations.

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<sup>58</sup> Families with children, senior citizens, socially disadvantaged people, homeless people, persons with mental illness, persons at risk of addiction, persons with disabilities, persons leaving prison, persons leaving residential care facilities, or other vulnerable groups.

<sup>59</sup>Concerning the availability of micro-creches and children's groups, it is always necessary to respond to specific needs in the given location, which reflect both the employment opportunities of parents with children and the travel distance to the childcare services.

**Target group:** inhabitants of agglomerations and their hinterlands

**Main holder:** MEYS, MLSA

**Other holders:** MoF, MoRD, ASI

**Main implementers:** education authorities sponsoring schools and educational establishments, voluntary associations of municipalities

**Type measure 18: To ensure sufficient capacity of affordable and social housing for vulnerable groups or persons who have lost housing - outside segregated and excluded localities**

**Problem:** The lack of suitable affordable and social housing is one of the reasons for social and often spatial exclusion of individuals and whole families from society. Impacts of no, uncertain or unaffordable housing, as well as non-standard or poor quality housing are reflected in the functioning of the family, its involvement in the education or work process, and its access to other resources. Problems with housing financing mainly concern senior citizens and low-income people (see the target groups below); however, at present, housing problems in some regions do not avoid even the middle class. The impacts associated with the above shortcomings overreach to other issues such as indebtedness, undeclared work, dependence on benefits, early school leaving and other.

**Content:** Ensuring sufficient capacity of affordable and social housing outside segregated and excluded locations, whether by buying, renting or constructing apartments and houses. At the same time, it is necessary to emphasize greater support and availability of social work (which should serve as a tool to prevent the loss of housing and to support the retention of housing). It is also necessary to support cooperation between the individual entities, both governmental and non-governmental, in helping people in housing need.

**Target situation:** Housing provided for groups at risk of housing inaccessibility.

**Target group:** people in housing need (senior citizens, single-income families, families with more children, low-income groups of the population, physically or mentally handicapped persons, persons at risk of discrimination, i.e. persons of other ethnicity, religion, LGBTQ, persons leaving residential care, prison etc.)

**Main holder:** MoRD, MLSA

**Other holders:** ASI

**Main implementers:** municipalities, Regions, providers of social services, bodies of social and legal protection of children, MoRD

**Type measure 19: To support the development and exploitation of the potential of agglomerations in the field of culture and tourism**

**Problem:** The agglomerations are important cultural centres of supra-regional importance. However, the potential of a positive role of culture in the development of agglomerations and their hinterlands is still insufficiently developed. With the quality interconnection of agglomerations with their hinterlands and Regions, the requirements for the function of culture also grow in these types of territory.

**Content:** In agglomerations, there is an increased concentration of actors offering cultural activities at the Regional level, which creates potential for the development of agglomerations and their hinterlands. At the same time, the agglomerations show a very high concentration of cultural or technical monuments and memory institutions preserving cultural heritage (museums, galleries, national heritage institutes, libraries), whose importance extends beyond the agglomeration itself.

The agglomerations are natural centres of cultural and cognitive tourism and often represent a “gateway” to the surrounding regions for the visitor. The quality functioning of that gateway is an important condition for tourism development in those regions. In order to exploit the cultural potential of agglomerations, the individual actors and their activities will be supported both in the field of culture itself and in the field of cultural-cognitive tourism. The aim of the support is to create full-fledged cultural centres of the national level, which will result in improving the quality of cultural life and the standard of living in general, the attractiveness of places for visitors, and connecting the individual actors active in the field of culture at Regional and wider regional levels.

In order to increase the attractiveness of agglomerations, it is necessary to ensure revitalization and modernization of monuments (cultural and technical), museums, galleries, theatres, libraries<sup>60</sup> and other cultural facilities, or the construction of new cultural facilities, and to support the interconnection of culture and tourism (utilising the potential of enabling access to cultural and historical attractions and living culture for tourists). However, in connection with the primary offer of the cultural and tourism sector, it is also necessary to support the development and maintenance of the accompanying public infrastructure, the existence of which is essential for the use of cultural facilities or tourist attractions. In a number of agglomerations, it is also appropriate to specifically support the establishment of creative and artistic centres or clusters. Support should primarily be directed to projects that are implemented on the basis of cooperation of several types of actors (public, private or non-profit sector) or fields of culture.

**Target situation:** Culturally attractive agglomerations, which are centres of culture and cultural-cognitive tourism not only for the hinterlands of the agglomerations, but also for the surrounding regions. Increased share of revitalized and utilised monuments, memory institutions and cultural facilities creating space for the development of cultural activities and tourism.

**Target group:** actors operating in self-government, culture and tourism

**Main holder:** MoC

**Other holders:** MoRD

**Main implementers:** Regions, municipalities, cultural institutions, monument owners, tourism actors, voluntary associations of municipalities

#### **Specific Objective 2.4: Effectively addressing environmental problems associated with the concentration of large population and adapting agglomerations to climate change**

##### Justification of the specific objective:

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<sup>60</sup> E.g. support for libraries is mentioned here as they play an important role of information, educational and community centres in the area.

In agglomerations and their hinterlands, it is possible to observe phenomena largely similar to those of metropolises, only in a lower intensity (suburbanization, poor air quality, etc.). Even for agglomerations, climate change phenomena are a problem - on the one hand, the frequency and duration of droughts, and on the other hand, flash floods. A number of cities belonging to this category face the challenge of a large number of brownfields, often in city centres (e.g. Ústí nad Labem, Zlín).

Cities in agglomerations achieve energy savings by appropriately adjusting their energy management. Reducing energy consumption contributes to sustainable urban life. At present, in some agglomerations, emphasis must be placed on simple reduction of energy consumption, in others on the qualitative enhancement of energy management and intelligent consumption management in the context of the Smart City or Smart Region concepts. From a global perspective, cities bear the Czech Republic's commitment to reducing CO<sub>2</sub> production, some cities have their own commitment to the EU.

#### Solution:

Agglomerations will tackle environmental problems related to the concentration of a large part of the population. Also with regard to climate change, it is necessary to seek ways to improve the management of rainwater. To maintain or improve the quality of life in the cores of agglomerations, it is important to preserve greenery, increase its quality and resilience and strengthen (or revitalize) residential green infrastructure, city parks and other areas of greenery not only for leisure use.

The impacts of intensive traffic in city centres will also be minimized also through the promotion of public transport and active mobility, the systemic deployment of the use of alternative propulsion in transport and the deployment of intelligent transport systems. These systems will monitor and regulate traffic and reduce its negative impact on the environment. Support will also be provided for public transport services and clean mobility (inter alia, electric transportation and its infrastructure, cycling and its infrastructure and walking) and intermodality as in metropolitan territories.

For some cities in this category, it is important to regenerate brownfields and post-industrial areas (transport brownfields), both for business and non-business use (including their conversion to rest and leisure zones).

Cities will be supported in their efforts to maximize energy savings and reduce CO<sub>2</sub> production as they draft their territorial energy policies and implement them, and in their plans for renovation of buildings.

#### Type measures:

##### **Type measure 20: To promote sustainable spatial development of agglomerations**

**Problem:** Insufficiently coordinated spatial growth of agglomerations causing transport problems in both passenger and freight transport and the associated negative impacts on the environment and human health.

**Content:** Changing the attitude and thinking of municipal assemblies, using developed methodologies (e.g. availability of public infrastructure), investing in people (training, examples of good and bad

practice - assembly members, municipal leaders, employees), creating a comprehensive system of training for municipal assembly members in order to improve the economic literacy of municipalities enabling them to set up responsible municipal housing policies and manage municipal land and administer their territories, taking into account environmental limits and the quality of life of the population. Coordination of the development of agglomerations is also a task of regional spatial planning tools - the Territorial Development Principles drawn up by each Region.

**Target situation:** Effective and consistent use of spatial planning tools, coordinated strategic and spatial planning respecting environmental limits (link to specific objective 6.1)

**Target group:** elected representatives

**Main holder:** MoRD

**Other holders:** -

**Main implementers<sup>61</sup>:** Municipalities, Regions, local action groups, administrative districts of municipalities with extended powers and other State administration bodies, voluntary associations of municipalities.

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<sup>61</sup> Employees of territorial self-governing units play an important role in influencing spatial planning.

### **Type measure 21: To improve microclimatic conditions in agglomerations**

**Problem:** In addition to poor air quality (transport, local combustion heaters), the urban environment is also influenced by the thermal island of the city. The microclimate in general in relation to climate change (air quality, surface and air overheating, low humidity and dustiness, etc.). In smaller settlements, the thermal island does not manifest itself to such an extent, but sealed surfaces (and areas without grown vegetation and water bodies) get overheated, which has a negative impact on the quality of life of inhabitants (thermal stress of the population).

According to the National Action Plan for Adaptation to Climate Change, the infiltration and retention capacity of the landscape is reduced in built-up areas with a significant proportion of paved areas from which water drains rapidly.

**Content:** Support of territorial research studies focused on the establishment or revitalization of residential greenery, support of cities in reclamation of unused areas (brownfields), protection of existing grown greenery and development of residential green infrastructure. Targeted support of greenery resilience and quality through appropriate cultivation and other interventions. Support for planting insulating greenery in the vicinity of existing roads and for including greenery in new construction plans from the beginning of the building proceedings.

Near-natural modifications of watercourse channels, conservation and planting of greenery, development of residential greenery systems, drainage of urbanized and industrial areas using rainwater management, reuse of the retained water, humidification of built-up areas, green roofs, water capture bodies, sustainable use of agricultural land. In rural areas on land intended for forest functions, promoting sustainable forest management (including through the application of regional forest development plans).

The issue is addressed in detail and systematically in the strategic documents of the Ministry of the Environment and in the cross-sectoral Strategy on Adaptation to Climate Change in the Czech Republic.

**Target situation:** Increased share and coherent system of urban greenery in cities, improved quality and resilience of greenery, improved air quality, reduced effect of the overheating of artificial surfaces and increased retention capacity of the territory.

**Target group:** cities, city dwellers and visitors

**Main holder:** MoRD, MoE, MoA, MT

**Other holders:** MIT, MoF

**Main implementers:** municipalities, Regions, local action groups, owners and operators of water supply and sewerage systems, owners of land and buildings, river basin authorities, voluntary associations of municipalities

### Strategic Objective 3

**Economically stabilized regional centres are easily accessible centres of culture, employment and service for the relevant functional regions, their rural hinterlands have good transport connection to the regional centres, have a sufficient network of services and innovative solutions are applied there.**

Regional centres serve as pillars of the Czech settlement system offering services and job opportunities for their hinterlands. All regional centres are well connected to higher-order centres (metropolises and agglomerations), rural hinterlands are well connected by public transport and road connections to regional centres and have a sufficient network of services. Regional centres with stabilized economy and population and their rural hinterlands play an irreplaceable role in landscape conservation, care for the community environment and sustainable use of the landscape. In rural hinterlands, innovative and smart solutions are developed.

**Specific Objective 3.1: Creating suitable conditions for diversification of the economic base of regional centres and their rural hinterlands and utilization of their potential, and supporting the interconnection of business entities in relation to labour market needs.**

#### Justification of the specific objective:

A problem of regional centres and their rural hinterlands is the insufficient diversification of their economic base. Regional centres and their hinterlands often have a number of potentials (including, for example, tourism) on which they can build their future development strategies. In this type of territory, basic knowledge of entrepreneurship is often lacking, and for capacity and professional reasons it is a problem for start-ups and small entrepreneurs to ensure basic operations related to running a business.

In both regional centres and the rural hinterland, it is a challenge to revitalize brownfields and remediate environmental burdens, both for business and non-business use.

In the area of the labour market, the requirements of the (micro)regional labour market are not aligned with the structure of the fields of study in secondary education (frequent high unemployment of school-leavers, frequent unemployability in the completed field of study), the content of the education does not always match the current needs of the labour market and mainly the dynamic changes of the modern economy that require adaptability and lifelong learning.

For rural hinterland, an important issue is the availability of high-speed internet and the use of digital-assisted public services, including the Internet of Things, which can be one of the aspects that will contribute to retaining the population in rural regions (for example thanks to work from home).

#### Solution:

Many regional centres are dependent on one or a few employers. Therefore, activities aimed at diversifying the economic base will be implemented. Existing business activities, in particular small, micro and social enterprises, will also be supported.

Also in the category of regional centres, there are a number of innovative firms (in agriculture, market services and manufacturing) and branches of multinational companies, whose further development is

crucial for the regional centres and their rural hinterlands. The establishment of new business activities should be supported, inter alia, through the construction of business premises and incubators.

Interventions will be implemented to facilitate the strengthening of the economic potential and entrepreneurship, and to enhance economic links with larger markets (nearby agglomerations, metropolises, international markets). In the hinterlands of regional centres, support will be primarily provided to small, medium and micro enterprises, including in relation to local products and tourism; the aim is inter-sectoral linkage and cooperation. Support will be given to the emergence of new business activities, also in a link to needs identified in the development of public facilities, incl. support of municipal and regional public private partnership projects.

At the level of (and between) regional centres, steps will be taken to better integrate the regional labour market and the regional education system, while maintaining its autonomy and the primary function of learning objectives and content as tools for the development of individuals so that they are able to succeed in the modern labour market (even in the specific conditions and structure of the economies of the sub-regional centres) and are also capable of lifelong learning.

Business activities will also be supported in the sense of setting up new businesses and strengthening the competitiveness of existing companies.

Towns will emphasize active communication with existing or potential employers. Sub-measures will aim to reduce the potential negative impacts of the digitization and robotization process on the labour market - its structural imbalances and (wage) polarization. Individual steps will also be directed at maintaining qualified workforce whose arrival/stay is crucial for the development of the towns/regions.

Brownfield revitalization will be addressed pursuant to the National Brownfield Regeneration Strategy. State and local authorities will seek further ways to improve the availability of high-speed internet in rural areas.

In order to improve the development potential of some regions, activities will be implemented to improve the availability of high-speed internet in the still under-covered areas and to develop public services using digital applications, including the Internet of Things system.

Type measures:

**Type measure 22: To diversify economic activities in regional centres and their hinterlands**

**Problem:** Reluctance and poor level of communication in transferring innovation and knowledge and good practice from metropolises and agglomerations (or abroad) to the territory, as well as in transferring information on the needs of companies.

**Content:** In principle, existing companies can be modernised through conversion to more demanding activities - especially through after care - "asking what companies need", or by encouraging the arrival of investors / by incentives (actively seeking investments with higher added value). Support for the development of specialized services for foreign investors. The support can be targeted at the development of micro, small and medium-sized enterprises and the expansion of their economic activities, thereby enhancing employment. Transfer of innovation, knowledge and good practice from



metropolises and agglomerations (or abroad) to the territory. Support for implementation and introduction of innovations with the aim of expanding the economic activities carried out.

**Target situation:** Stabilized and developing companies in regional centres and their hinterlands, increased number of job opportunities.

**Target group:** micro, small and medium-sized enterprises

**Main holder:** MIT

**Other holders:** MoA

**Main implementers:** Economic chambers, regional innovation centres/agencies, companies, Regions, municipalities, local action groups, CzechInvest, Enterprise Europe Network of the Czech Republic (a consortium of six partners headed by the Technology Centre of the Czech Academy of Sciences), voluntary associations of municipalities

**Type measure 23: To improve cooperation between employers, the public sector and secondary schools**

**Problem:** Lack of cooperation between public administration, major employers and secondary schools.

**Content:** Creating friendly incentives for business entities in the municipality, preventing the departure of investors and the disappearance of small businesses. Encouraging - also by firms - the establishment of clusters of actors in the territory (but not only firms) linked to the potentials of the territory.

Strengthening cooperation of secondary schools (and post-secondary vocational schools) with companies in the territory, especially in the context of providing practical training for pupils in vocational education. Initiating a discussion on the needs of companies in relation to the region (public administration, school system).

In line with the Innovation Strategy of the Czech Republic 2019–2030, one of the tools in this area will be the creation of a system at national and regional level, which will coordinate cooperation between schools and employers based on dual education elements.

Support for cooperation mainly of secondary schools, post-secondary vocational schools and apprenticeship schools with the business sector in the territory (focusing the framework educational programmes on the economic specialization of the territory); and investments in the technical equipment of schools and research workplaces.

**Target situation:** Regular, factual and open cooperation and communication and cooperation among all actors in the territory.

**Target group:** Public administration, employers and apprenticeship, secondary and post-secondary vocational schools.

**Main holder:** MEYS, MIT, MLSA

**Other holders:** -

**Main implementers:** CzechInvest, municipalities, Regions, schools, employers, local action groups, voluntary associations of municipalities

**Type measure 24: To develop consulting centres for starting, small and medium-sized enterprises**

**Problem:** Small businesses in rural areas may be confronted with missing knowledge of basic information on running a business (business plan creation) and it is difficult for them to deal with routine business-related tasks due to limited personnel and time resources.

**Content:** Support for the development of entrepreneurship, establishing start-ups, including innovation infrastructure services (coaching, consulting, acceleration programmes), support for internationalization and business plan implementation. Linking the actors involved in business support, relevant to the regional centre, and applying the “no wrong door principle”. In regional centres and their rural hinterlands, assistance will also be directed towards the development of innovative businesses.

All institutions providing counselling in the regions will be co-ordinated and a consulting one-stop shop will be established. This means that a starting small and medium-sized entrepreneur will get complete information in one place or, after the first visit, will be directed to an entity who will solve their problem.

**Target situation:** The establishment of business activities will be facilitated and the risk will be reduced of early termination of a business activity due to poor orientation in the activities connected with company management (e.g. communication with authorities, etc.)

**Target group:** start-ups, small and medium-sized enterprises

**Main holder:** MIT

**Other holders:** MLSA, ASI

**Main implementers:** Labour Office, CzechInvest, regional innovation centres/agencies, Regions, municipalities, local action groups, NGOs, the Economic Chamber, Enterprise Europe Network of the Czech Republic (a consortium of six partners headed by the Technology Centre of the Czech Academy of Sciences), voluntary associations of municipalities

#### **Type measure 25: To revitalize brownfields**

**Problem:** Brownfields in this category may be close to town centres and they represent development areas that are potentially important for the region. According to data from CzechInvest, most of the registered brownfields originate in agriculture; similar unused localities of industrial origin are usually strongly contaminated and fall within the competence of MoE in terms of their registration in the Contaminated Sites Registration System (SEKM).

In many cases, the barriers to the development and use of the brownfields are complex ownership relationships, unsettled financial obligations resulting from former economic activities, and old environmental burdens (but in that case the brownfields have a different status). This category does not cover even locations after former mining activities (with exceptions).

**Content:** In accordance with the National Brownfield Regeneration Strategy, brownfields will be supported for reclamation and agricultural use (MoA), for industrial activities (MIT) or public services and tourism (MoRD). In this category of settlements, the role of the State is more appropriate (market forces are less likely to resolve the situation than in the case of metropolitan areas and some agglomerations).

For brownfields, it is always appropriate to assess the risk of environmental burdens, the complex structure of owners and discharge of debts. In the case of confirmed anthropogenic pollution, it is

necessary to first assess the level of risk to human health and the environment. Any subsequent remediation must always be dealt with in cooperation with the Czech Environmental Inspectorate, while respecting the polluter pays principle. Thus, public funds can be used to support the removal of pollution only in the case of so-called orphan sites, where the original owner no longer exists and has been legally extinguished without successors. An important limiting factor for revitalization in such case is usually the high remediation costs, typically well above the locally usual price of the land and buildings concerned, and often the long remediation period lasting years to decades (especially if groundwater remediation is necessary).

Supporting and developing the Brownfield Regeneration and Business Use Programme (MIT), limited to non-contaminated or only slightly contaminated sites, not exceeding the limit for risk to human health and the environment.

The revitalisation of brownfields will take into account the biological value of such areas, e.g. resulting from natural succession, and their subsequent use will be selective according to the character of the individual parts of the revitalized area.

**Target situation:** Increased share of revitalized and utilized brownfields, quality cooperation of actors involved in support of brownfield transformation.

**Target group:** municipalities, Regions

**Main holder:** MIT and CzechInvest (MoF and MoE in the context of brownfields affected by anthropogenic pollution with above-the-limit risk to human health)

**Other holders:** MoRD, MoA

**Main implementers:** municipalities, Regions, entrepreneurs, local action groups, property owners, voluntary associations of municipalities.

#### **Type measure 26: To improve accessibility of high-speed internet<sup>62</sup>**

**Problem:** In some areas, the infrastructure of high-speed networks of electronic communications enabling internet access is still underdeveloped, which also hampers efforts to retain the young and educated population and hinders the development of entrepreneurship.

**Content:** Accelerating the support for development of high-speed networks of electronic communications by the Ministry of Industry and Trade to ensure the availability of internet services in areas not yet covered, but also to help increase transmission network parameters and the use of internet access services (including the possibility to use the Internet of Things for the operation of sensors and other terminal equipment for the purpose of public services) also in areas already covered.

**Target situation:** High-speed electronic communications networks are constructed so as to enable compliance with the declared intentions of the European Commission in the Czech Republic whereby: (a) schools, HEIs, research organizations, transport hubs, hospitals, administration bodies, libraries and other businesses relying on digital technologies have internet access with download and upload speed at least 1 Gbps by 2025;

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<sup>62</sup> Currently, there are a number of concurrent strategies, plans and declarations of the need to improve the availability of high-speed Internet - such as the Strategic Framework Czech Republic 2030, Government Programme for Digitalization of the Czech Republic 2018+, Digital Czech Republic or the National Plan for Next Generation Networks. When formulating and implementing the specific measures, an analysis of all these documents will ensure that there is no duplication.

(b) all households have at least 100 Mbps internet access by 2025, which could be increased to 1 Gbps in the future;

(c) all urban areas, major roads and railways are continuously covered with 5G networks by 2025.

**Main holder:** MIT

**Other holders:** Czech Telecommunications Office (CTO), MoRD

**Main implementers:** MIT, CTO, municipalities, Regions, local action groups, voluntary associations of municipalities, representatives of the electronic communications sector, MoI, MoRD

### **Type measure 27: To develop sustainable tourism**

**Problem:** Untapped potential of tourism in regions.

**Content:** Given the state of development of the tourism sector, it remains important to provide balanced support for the development of all three pillars of sustainable tourism (socio-economic, cultural, environmental). Under this measure, it is appropriate to support the development of sustainable forms of tourism (e.g. hiking and cycling, ecotourism) in conjunction with local production, rural tourism, preservation of local traditions and crafts, etc. In addition to measures to support the development of infrastructure in accordance with the principles of sustainable use of the cultural-historical and natural potential of destinations, measures should also be implemented to promote cooperation between entities in the region, destination management and monitoring and management of the visitor flow. Last but not least, it is necessary to support both the quality improvement of the provided tourism services and the professionalisation of the tourism offer management.

In border regions, tourism is often the only important tool for economic development; these areas need to deepen cross-border cooperation in destination management and develop tourism infrastructure so that tourism services can be consumed on both sides of the border, and create so-called inter-sectoral products of sustainable tourism, which will enable a broader involvement of actors from various sectors. The situation is similar in inner peripheries on the borders of Regions, where it is often difficult to establish systematic cooperation. Inter-Regional cooperation in this area should be promoted in order to ensure uniform development of tourist destinations often artificially divided by administrative borders. The implementation of this measure should contribute to increasing the attractiveness of regions as tourism destinations, whereby raising the visitor numbers and the economic yield. At the same time, this measure must minimize the potential negative impact on the local community and the environment.

Some regions are considering various forms of interconnection of organic farming and tourism (suitable also for inner peripheries), for example using local agricultural products in tourism facilities - again in a link to job creation for the local unemployed. When promoting tourism in tourism-intensive areas, it is necessary to pay attention to environmental and socio-cultural and demographic limits of the territory and the capacity of local infrastructure, or to consistently promote sustainable visitor management, while promoting cooperation between tourism-intensive areas and their neighbouring regions in order to optimise the concentration of visitors and to increase the multiplier effect of tourism in the area. The key document defining the objectives in the area of tourism is the Concept of the State Tourism Policy of the Czech Republic for 2021–2030.

**Target situation:** Balanced development of all three pillars of sustainable tourism with an impact on increasing the attractiveness of regions as tourist destinations.

**Target group:** visitors

**Main holder:** MoRD

**Other holders:** -

**Main implementers:** municipalities, Regions, destination management organizations, local action groups, professional associations, non-governmental non-profit organizations, tourism entities, voluntary associations of municipalities

### **Specific Objective 3.2: *Improving transport accessibility within regions***

#### *Justification of the specific objective:*

Not all regional centres are suitably connected with their hinterlands in terms of transport. Pollution (especially air and noise pollution) is a frequent problem in regional centres, also due to the fact that in many towns of this category, the main traffic routes run through their centres. Moreover, the transport infrastructure (local roads, class II and III roads) in micro-regional centres and their hinterlands is currently in poor condition.

Smaller regional centres have more difficult conditions for introducing urban public transport and therefore the problem of heavy load by private transport is difficult to solve. For this reason, it is appropriate also for smaller regional centres to develop at least a simplified version of the Sustainable Urban Mobility Plan.

Integrated transport systems (ITS) should also be deployed in rural areas as part of Region-wide systems, including P+R. In addition to the coordination of intra-urban transport, it is advisable to further improve the coordination of transport services between the centre and its hinterland so that the supply of connections corresponds to real passenger demand, including weekend and holiday connections between regional centres and their hinterlands, the absence of which often hinders the exploitation of the region's potential, implementation of leisure activities of residents and development of tourism on local or regional level. Insufficient provision of transport links at weekends and on holidays also augments motorised private transport and increases parking problems.

#### *Solution:*

At the micro-regional level, steps will be taken to improve the connectivity and accessibility of the micro-regional centres (e.g. former district capitals and municipalities with extended powers).

Within the Regions, maintaining and further developing the integrated transport systems covering the entire territory of the Region with a link to the neighbouring Regional ITS. Furthermore, the P+R system, a network of safe cycle paths associated with commuting to work, schools, services, leisure activities and tourism. Ensuring good transport accessibility also at weekends and on public holidays so that leisure activities can develop.

The actors concerned will maintain links ensuring at least a minimum connection between the hinterlands and the regional centres. Steps will be taken to ensure effective transport service, for example by ensuring sufficient intensity of the connections.

In order to reduce pollution in town centres, construction of bypasses of municipalities will be considered for some centres but the risk of outflow of economic activities from the town centres must also be considered. In accordance with the Urban Policy Principles, the methodology recommends drawing up Sustainable Urban Mobility Plans (SUMP) for cities and ensuring their implementation, which also applies to smaller settlements than cities with over 40,000 inhabitants. It is necessary to design quality Regional transport service plans. It is also necessary to focus on promoting P+R, cycling and walking as important transport segments. Steps will be taken in the regional centres and their rural hinterlands to improve the condition of local roads.

## Type measures:

### **Type measure 28: To better coordinate transport in the regions**

**Problem:** Within regions, the problem may be a poor connectivity of the individual types of transport (within regions, but also on the borders of Regions). The public transport lines (especially bus lines) are often not interconnected on the borders of Regions. In some cases, short transfer times between the various modes of transport (e.g. road, rail), transport service in municipalities on all days of the week and tariff integration are still not sufficiently ensured.

The supply of transport does not always correspond to real demand, which leads to a loss of competitiveness of public transport and a decrease in transport output. Particularly problematic is the situation in remote regions where sufficient connections are often lacking.

On the other hand, the Ministry of Transport's data show that the demand for transport is declining in sparsely populated regions, i.e. for rail and especially bus transport. In the other segments (long-distance, suburban and urban transport), the output is growing and the capacity of the systems is often no longer sufficient to meet the demand.

Moreover, the problem of coordinating public transport goes beyond the regions. The current situation sometimes leads to omitting the peripheral areas of regions and areas on the border between regions, and weaker coordination between regional authorities creates problems in the network effect of public transport.

**Content:** Increased use of public transport, better coordination at regional and interregional levels, and promoting the mutual integration of transport systems and the development of transfer terminals. Support for the design of sustainable mobility plans (SUMP) and their implementation, and in connection with them, for regional transport service plans. It is necessary to build regional dispatching centres which will operatively ensure the continuity of connections (solving problems of operational irregularities).

The available studies on the accessibility of regions, especially rural peripheral areas, are not up to date. It is also advisable to assign new scientific tasks that would map the current situation both in terms of demographic and sociological aspects of the development of society and by a narrower focus on the issue of tourism development in regions and its barriers.

**Target situation:** Increased use of public transport and increased transport output. Effective transport service in the region respecting the transportation needs of the inhabitants and the quality of the environment.

**Target group:** Public transport users

**Main holder:** MT

**Other holders:** MoE

**Main implementers:** municipalities, Regions, local action groups, voluntary associations of municipalities

### **Type measure 29: To improve the condition of roads and railways**

**Problem:** Repairs of roads, especially modernization and reconstruction of class II and III roads generally represent a large investment for their owners and a significant burden on their budgets. Moreover, transport infrastructure is currently in poor condition both in regional centres and in their hinterlands.

**Content:** Repair of existing roads, especially class II and III roads, and development of a network of safe cycle paths (repairs, including the construction of new sections), which will reflect the "difficulty" of solving the problem in a given location - e.g. the cadastral acreage of the municipality, or the number of kilometres of the network managed. In the process of preparation and development of the transport network, attention will also be paid to landscape permeability.

**Target situation:** Improved technical condition of roads incl. class II and III roads in regional centres and their rural hinterlands, which will help to stabilize the regions and improve the quality of life in their municipalities.

**Target group:** users of roads and paths

**Main holder:** MT

**Other holders:** MoRD

**Main implementers:** municipalities, voluntary associations of municipalities, Regions, RMD, Forests of the Czech Republic (state enterprise), river basin authorities

**Specific Objective 3.3: Improving the availability of services in regional centres and their rural hinterlands, with an emphasis on cultural heritage, conservation of monuments and local specifics, and responding to problems with aging and the existence or emergence of socially excluded localities**

#### Justification of the specific objective:

In order to maintain the basic standard of quality of life in regional centres and in their rural hinterlands, it is necessary to maintain or expand basic public services and public facilities in the towns and municipalities. The category of regional centres includes a number of towns that can be described as shrinking cities, i.e. towns with a steady population decrease.

In most (micro)regions, the population, especially the younger, has been decreasing in recent years. This process also leads to the aging of these areas and the need to provide at least basic social and health care there. While most regional centres have not experienced the development of large concentrations of socially excluded people, in some regional centres, the situation in their large socially excluded localities has not improved in the long term, and in some cases it is deteriorating.

In regional centres or in their rural hinterlands, there are often valuable cultural monuments, which are in a poor technical condition. Investment in the restoration and revitalization of the cultural-historical heritage can contribute not only to making the area more attractive to local residents but also to visitors, thus encouraging downstream investment and bringing a multiplier effect for the development of the region through intensified culture and tourism.



Solution:

Regional centres will play the role of full-fledged centres of the wider hinterlands. For this purpose, they will offer a sufficient range of public services and public facilities also for their hinterlands, so that they approximate the standards defined by the MoRD through a TACR research project. Regional centres will provide health services that will be adequately accessible.

In connection with the population aging, programmes will be implemented to strengthen the performance of field social work and health care in the client's normal social environment. Services for groups of people at risk of social exclusion will become more accessible and will be ensured in cooperation at all levels of public administration.

At the national, regional and municipal level, instruments (e.g. institutional or financial) will be considered to address the problems and potential risks of regional centres (and other municipalities) falling within the category of shrinking cities.

National and local governments will take active steps to reduce the risk of social exclusion and energy poverty. The 2015 Analysis of Socially Excluded Localities shows that schools in such localities use fewer inclusive tools, there are less public (especially social) services for people living in social exclusion, and there is no targeted support for the development of community and civic life.

Towns in this category will work closely with employers and integration centres for foreigners to integrate incoming foreign workers so that the arrival of a larger number of foreign workers does not increase tension.

In the area of cultural potential development, support will be targeted at the active role of cultural centres, public libraries, preservation and development of folk and artistic crafts, as well as the restoration of cultural monuments, their accessibility to visitors and revitalization.

Type measures:

**Type measure 30: To renew and modernize the infrastructure and equipment of schools and educational establishments in regional centres and their hinterlands and to provide childcare services**

**Problem:** According to the available data reflecting the state of infrastructure and partial investigations focusing on the equipment of schools, an essential prerequisite for maintaining the quality of education in regional centres is the renewal and modernization of infrastructure and increased equipment and facilities of schools and educational establishments. A similar situation is in public libraries as educational, cultural and community centres.

**Content:** Renewal and modernization of nursery, primary and secondary schools and ensuring the renewal and modernization of classroom equipment (specifically in specialised classrooms, etc.) and the availability of teaching aids at schools and educational establishments at all levels of education.

Building and renewing the infrastructure and facilities of public libraries as information, educational, cultural and community centres. Ensuring accessible micro-creches and children's groups<sup>63</sup>.

**Target situation:** Ensuring the availability of quality education services in regional centres.

**Target group:** residents of regional centres and their rural hinterlands

**Main holder:** MEYS

**Other holders:** MoF, MoRD

**Main implementers:** education authorities sponsoring schools and educational establishments

***Type measure 31: To address problems related to socially excluded localities in the rural environment***

**Problem:** As a result of the last SEL mapping, socially excluded localities have increased in rural municipalities. Social exclusion has a specific character here, with regard to transport accessibility and the service delivery system (responsibility for services at MEP level); municipalities and local units have a much more limited range of tools to address this problem. The phenomenon of energy poverty is also a growing problem.

**Content:** Based on local social inclusion plans, ensuring comprehensive interventions to prevent and address social exclusion in small municipalities, including the availability of social and other services, the availability of non-segregated housing, nursery, primary and secondary schools and employment support. Reducing the risk of energy poverty. Exploiting the potential of public libraries as community centres.

**Target situation:** Fewer socially excluded localities in rural areas and effectively set up mechanisms to prevent the emergence of new socially excluded localities.

**Target group:** SEL residents

**Main holder:** ASI

**Other holders:** MoRD, MLSA (author of the National Strategy for Social Services, Social Inclusion Strategy 2021-2030, the Concept of Social Housing 2015-2025, the Concept of Preventing and Addressing Homelessness in the Czech Republic until 2020), MEYS

**Main implementers:** municipalities, voluntary associations of municipalities, Regions, local action groups, regional labour offices, non-profit organizations

***Type measure 32: To ensure adequate availability of outreach social services and improve the availability of public facilities in rural areas, and to create conditions for community life development***

**Problem:** In small towns or in less populated areas (National Strategy for the Development of Social Services 2016-2025, p. 18), the lack of services providing support in the home environment or in

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<sup>63</sup>Concerning the availability of micro-creches and children's groups, it is always necessary to respond to specific needs in the given location, which reflect both the employment opportunities of parents with children and the travel distance to the childcare services.

community-based residential services is felt more intensively than in other areas of the Czech Republic. The lack of services in the home environment also applies to health care.

Limited civic and community infrastructure in rural areas and limited availability of services and facilities in rural areas, especially in small municipalities. When planning public services, cooperation and communication between all actors is not always sufficiently flexible, for example in the area of planning social services it is the cooperation between Regions and municipalities.

**Content:** Ensuring better communication and greater flexibility of public service providers in planning the services, and meeting the goals of medium-term social services plans of municipalities. Ensuring sufficient capacity of field social services provided in the home environment of the service users, in community-based residential services or outpatient services. Ensuring support for senior citizens, carers, support for intergenerational cooperation and support for the construction of small residential facilities for senior citizens in municipalities.

Support from municipalities, Regions and the State (for premises, operation and activities). The State budget will cover mainly investment costs in improving the quality of community life, community provision of services and ensuring a sufficient level of service and availability of services in rural areas. Support (even from the Regions) for even very small projects (i.e. reducing the minimum project threshold). To increase the cost-effectiveness, the citizens' participation will be strengthened through intensive communication and the establishment of community centres. Exploiting the potential of public libraries as community centres.

**Target situation:** Sufficient capacity of field social services, community-based residential services in regional centres and their rural hinterlands, or out-patient services (e.g. counselling services). Ensuring sufficient capacity for providing primary care and health care in the client's social environment.

Rich community life and effective use of social capital for community development. Sufficient civic and community infrastructure and good availability of services. Well functioning locally provided services. Sufficient and ongoing communication and cooperation in public service planning.

**Target group:** NGOs, municipalities, libraries, public service providers and clients.

**Main holder:** MLSA (drawing up the National Strategy for Social Services, the Social Inclusion Strategy 2021-2030, the Concept of Preventing and Addressing Homelessness in the Czech Republic until 2020), MoH, MEYS, MoRD

**Other holders:** ASI

**Main implementers:** municipalities, voluntary associations of municipalities, MoI, Regions, local action groups, NGOs, public service providers

### ***Type measure 33:* To help develop and exploit the cultural potential of regional centres and their rural hinterlands**

**Problem:** The most valuable cultural monuments are often located in town centres (of regional centres) or in their vicinity, but they are often in poor technical condition. In many cases, these are important buildings with untapped potential for the development of regions. These structures are often not linked to other activities aimed at the overall development of the territory. In the rural

hinterland, the monuments represent one of the pillars of local tourism, which in some cases is not well used due to their inadequate condition or due to the lack of related tourist infrastructure.

**Content:** In the regional centres and their hinterlands, it is appropriate to support the transition from the traditional functioning of culture to a broader concept (transformation from the “passive” role of institutions to an “active” role in the form of participatory platforms, innovation and social-life centres, etc.). At the same time, it is necessary to strive to preserve and develop folk and artistic crafts which, in these types of territory, have a specific role in the functioning of the local economy. Traditional and newly devised cultural events bringing positive impacts on community life and the overall development of the territory are of great importance in this type of territory, and the events can also increase the multiplier effect in connection with tourism development in the area.

Immovable cultural heritage must also be seen in the context of its surroundings. Cultural monuments and the building culture create with it a *genius loci*, whose importance is underlined not only by the care for the very nature of the monuments, but also by care for its surroundings, including ensuring a meaningful revival of entire territorial complexes that are anchored in the Czech legislation mainly in the form of urban and rural conservation areas and zones. In small rural towns, the problems are concentrated in their historical nuclei and they determine the attractiveness of the whole town (if the town centre is not alive, the town dies). In addition, there are other problems of these towns - a lack of jobs, migration to larger towns and social degradation. For an effective solution, it is necessary to support a comprehensive renewal (not only of individual cultural monuments) including, for example, support for affordable housing, business, social and technical functions (including transport and parking solutions) based on strategies prepared in the community.

As in the case of metropolises and agglomerations, it is advisable to support the renewal of cultural and technical monuments in regional centres and their rural hinterlands, but the restoration and subsequent use of the monuments are more difficult to finance in these types of territory, and to develop cooperation and create regional inter-sectoral tourism products linking those activities.

**Target situation:** Culturally attractive regional centres and their hinterlands with a productive value of the cultural sector comparable to similar foreign regions. A new wider use of public institutions (cultural facilities not only as a static element (in the sense of a gallery, etc.) but as a local creative hub / centre of social life). Increased share of revitalized and utilized cultural assets such as cultural and technical monuments, natural attractions (while respecting nature protection), cultural events and other. Design of integrated projects of cooperation between municipalities, regions and LAGs, and of inter-sectoral tourism products. Exploiting the potential of public libraries as educational, cultural and community centres.

**Target group:** actors in the field of culture

**Main holder:** MoC

**Other holders:** MoRD

**Main implementers:** Municipalities, voluntary associations of municipalities, non-profit organizations, local action groups, cultural institutions, owners of cultural monuments, destination management organizations.

### **Specific Objective 3.4: Caring for the environment of villages and stabilizing the long-term use of the landscape and preventing its degradation**

#### Justification of the specific objective:

Regional centres are often towns with a high proportion of greenery in their cadastral territory. The rural hinterlands of regional centres often play a key role in the conservation of the Czech cultural landscape, including both natural heritage and cultural monuments.

An important role of the municipality is to care for its environment and to steer the landscape development. In the area of landscape conservation and management (farming), the crucial role is played by the landowner (i.e. not always municipalities). In this context, the role of agriculture and forestry is also important, as they should pursue sustainable management of the landscape. In this type of territory, significant impacts of climate change can be expected, including negative impacts on agricultural and forestry production (e.g. long and recurring droughts, extreme meteorological events, etc.). Attention will therefore be paid to adaptation measures.

The achievement of the objective is related to the presence and condition of forests in the landscape. Forest is an important component of the environment, it covers almost 34% of the territory. Healthy forests suitable for the local habitat are among the most environmentally stable segments of the landscape and have a many-sided positive environmental impact. Their importance is clearly positive in terms of adaptation to the extreme manifestations of climate change.

#### Solution:

In terms of adaptation to climate change, activities will be implemented in accordance with the Strategy on Adaptation to Climate Change in the Czech Republic, leading to flexible and environmentally sound land use, including water retention in the landscape, support for biodiversity, introduction of new technologies and diversification of agriculture. Consideration will be given to all instruments helping to set the maximum size of agricultural parcels for the individual crops in each type of territory, which will help to increase landscape diversification and reduce soil degradation. It is also necessary to take into account measures to increase soil fertility or irrigation for growing crops to feed the population. Measures will be sought to provide protection against the harmful effects of landscape chemicalisation.

The role of the landowner as a person responsible for environmental quality will be strengthened. The co-ordinating role of self-governments in regulating landscape development will be strengthened.

The most effective way to resolve ownership relations is through the preparation and approval of comprehensive land consolidation. Subsequently, it is necessary to accelerate the implementation of the territorial systems of ecological stability and to start systematic renewal of alleys in the countryside. The issue is addressed in detail and systematically in the strategic documents of the Ministry of the Environment and in the cross-sectoral Strategy on Adaptation to Climate Change in the Czech Republic.

An essential task is to reconcile the interests and coordinate the efforts of all important actors influencing landscape conservation (municipalities, owners, users and State institutions).

In agriculture and forestry, environmental principles will be consistently enforced as a condition for providing support from the Common Agricultural Policy.

The problem of polluted air in villages caused by obsolete local solid fuel combustion heaters will continue to be addressed.

In terms of caring for the village environment, emphasis will be put on the development of public greenery, preservation of the traditional type of buildings especially in the centres of villages in relation to the renewal and preservation of the rural cultural heritage. A partial goal is to optimize the economic, ecosystem and social functions of the landscape and settlements, including the recreational, aesthetic functions, etc., including the development of landscape permeability and restoration of traditional paths through the landscape. The measures will also aim to protect nature and biodiversity, not only to protect selected species and specific areas of special protection, but also to develop residential green infrastructure as a whole, including maintaining (or restoring) its connectivity and natural forms of watercourse beds.

It is necessary to minimize the inappropriate expansion of settlements into the surrounding landscape. To ensure consistent use of built-up areas through targeted revitalization of abandoned and neglected built-up areas as well as individual unused buildings.

An essential part of the implementation is an information and preventive campaign and awareness raising among all actors in the territory who have a direct influence on the use of the landscape and whose activity leads or can lead to soil degradation and increased soil erosion.

Type measures:

**Type measure 34: To strengthen the coordinating role of municipalities in steering the landscape development**

**Problem:** The steering of landscape development is managed from many positions of State administration and is highly concentrated in certain ministries. This leads either to ineffective investments in the landscape or to a failure to address truly significant problems.

**Content:** It is possible to strengthen or restore the responsibility of municipalities for the condition and maintenance of the landscape. Spatial planning offers a relatively stable and well-known tool for regulating landscape development, which is the municipal land use plan. The land use plan as a document approved by the local self-governments, among other things, describes the concept of landscape arrangement. The municipality has the right (duty) to notify the competent State administration authority of any acts of entities that could result in a damage to the quality of the environment (lowering the groundwater level, increasing water or wind erosion, threat of flash floods) and of acts that, in the municipality's opinion, violate the law. The competent State authorities are obliged to investigate such suspicions and to draw consequences. Raising awareness of this matter by the municipality among partners in the territory. An important tool of spatial planning in relation to municipalities and to the direction of landscape development is also the territorial research study of the landscape, prepared for the entire administrative district of the municipality with extended powers.

**Target situation:** Municipalities taking a responsible care for the condition of the landscape, using all available conceptual and operational tools.

**Target group:** municipalities, inhabitants

**Main holder:** MoRD

**Other holders:** MoI, MoE, MoA

**Main implementers:** municipalities, voluntary associations of municipalities, Regions, local action groups, the State administration authorities concerned

### ***Type measure 35: To improve the ambient air in rural hinterlands of regional centres***

**Problem:** Many municipalities face the problem of air pollution, often linked to outdated local solid-fuel combustion heaters.

**Content:** Continuing to support the replacement of existing stationary solid-fuel combustion heaters with heaters producing minimum pollutant emissions and with heat pumps.

**Target situation:** Improved air quality in municipalities with exceeded air pollution limit values.

**Target group:** residents

**Main holder:** MoE

**Other holders:** MIT (energy efficiency requirements for heaters), Regions, municipalities

**Main implementers:** municipalities, voluntary associations of municipalities, Regions, local action groups

### ***Type measure 36: To strengthen the landowner's responsibility for environmental quality***

**Problem:** Given the negative manifestations of climate change in the landscape, measures must be taken to mitigate it. Owners and tenants of land play a crucial role in setting the trend for sustainable landscape management. Since almost 80% of landowners do not manage the landscape at all and rent the land, there is no relationship and responsibility of the owner for the care of their property. There is a lack of long-term education of landowners and tenants about the environmental and social impacts of landscape management.

**Content:** A tool for media processing and popularizing the role of the owner. It should be emphasized that the owner has the right to dispose of their immovable property (areas in the agricultural land fund (ALF) or land intended to perform forest functions (LIPFF)) as a sovereign owner. Therefore, the owner has the right to decide on the right to lease ALF or terminate the lease and has the right to sell ALF regardless of the existing lease. At the same time, it should be emphasized that the landowner has the right to claim compensation for damage to property if it has been caused, for example, by mismanagement of the land, such as inappropriate crop rotation or by inappropriate or no care for the leased land. To deepen the owner's interest in the management of the rented/leased land, with an

emphasis on prudent land management and prevention of damage caused by poor management of the tenant/lessee.

**Target situation:** Ecologically balanced landscape.

**Target group:** landowners and tenants

**Main holder:** MoA, MoE

**Other holders:** -

**Main implementers:** municipalities, voluntary associations of municipalities, Regions, local action groups, agricultural associations, owners and tenants, insurance companies, NGOs

***Type measure 37:* To use modern systems of landscape management and reduce the negative impacts of intensive farming in the territory**

**Problem:** The agricultural and forestry sector can bring a number of negative and positive impacts on the environment. Namely, there may be problems related to biodiversity loss and degradation of ecosystem services, water quality and landscape water retention, increased erosion, air quality and others. Negative impacts can also be mitigated by using a modern agricultural system, or modern technologies.

In the field of forest management, it is necessary to strive for an ecologically suitable solution to the species composition, age and spatial diversification of forests, protection of habitat trees important for biodiversity protection, leaving sufficient amount of wood mass for decay, and for protection or improvement of the water regime of soils in forest stands.

**Content:** Support for precision and smart landscape management, basic environmental principles in the management, including measures aimed at improving the state of the environment and increasing the recreational value of the landscape. Restoration of in-field strips and patches, restoration of species, age and spatial structure of forest ecosystems, use of environmentally friendly pesticides and fertilizers, choice of crops with regard to their impact on the environment, comprehensive land consolidation, revitalization of watercourses and floodplains, support for retention and infiltration capacity of soils etc.

The issue is addressed in detail and systematically in the strategic documents of the Ministry of the Environment and in the cross-sectoral Strategy on Adaptation to Climate Change in the Czech Republic.

**Target situation:** Precision and smart landscape management will be facilitated, the implementation of measures will be supported (simplified and accelerated implementation of land consolidation), and environmentally friendly and modern ways of landscape management will be promoted, including the use of modern management systems.

**Target group:** All landowners and tenants active in land management, municipalities and other territorial partners.



**Main holder:** MoA

**Other holders:** MoE, agricultural and forestry institutions active in landscape management, MoRD-Territorial Planning Department, territorial partners, National Land Authority

**Main implementers:** landowners and tenants

### **Specific Objective 3.5: *Enabling energy transformation of the rural hinterlands of regional centres***

#### Justification of the specific objective:

Regional centres are often surrounded by rural hinterlands, which may offer a suitable environment for the production of electricity and heat from renewable energy sources (RES). While the regional centres themselves have difficulty in achieving energy self-sufficiency based on renewable energy production and energy-saving solutions, the rural hinterlands can achieve it depending on local conditions.

In terms of potential, rural areas are characterized by a greater number of localities in both built-up and undeveloped areas, which are suitable for the construction of small RES plants, than other types of territory. In terms of population density in rural hinterlands, the potential for electricity production exceeds its consumption in the given territory and the electricity can also be supplied to nearby administrative centres.

The rural hinterlands of regional centres may offer space for small RES production plants, the development of which is, however, tied to the necessary prerequisites, such as the preparedness of the electricity grid for renewables or the possibility of producers' access to the electricity market. In rural areas, the development and the declining cost of the necessary technologies can be expected to foster small renewable energy production plants (e.g. domestic electricity generation). From the position of the Czech Republic and regions, it is appropriate to support such new sources of energy and income, which enable local communities and their citizens and small and medium-sized enterprises to produce their own clean energy. Meeting the need for energy should be addressed in parallel with reducing the need for energy in buildings. Reducing the energy needs can mitigate the impact on the grids in the case of a higher share of renewables, while improving the quality of housing.

#### Solution:

In accordance with the National Energy Concept of the Czech Republic, it is necessary to focus on ensuring a reliable, safe and environmentally friendly energy supply. The RES infrastructure should preferentially be built on brownfields, or in areas with lower soil quality, and the natural values in the territory must be protected. These priorities can be achieved in the rural hinterland by combining several suitable measures.

In rural areas, support will be provided towards the establishment of new renewable energy plants. The measures should primarily aim at supporting the establishment of new renewable energy plants based on the potential of the given localities with regard to the environment and quality of life. In the case of renewable energy sources characterized by fluctuations in electricity production, the measures will also take into account the need to support the implementation of energy storage.

Local production of energy from renewable sources will continue to be supported and the process of RES construction and putting into operation will continue to be simplified. The aid will be extended to the storage of energy from renewable sources, characterized by fluctuations in production.

Transmission and distribution systems will be strengthened and modified to allow the connection of new RES plants.

Type measures:

**Type measure 38: To develop new renewable energy sources and energy storage**

**Problem:** Rural areas are specific in the higher number of localities suitable for the construction of new RES plants. In the Czech Republic, there are almost no wind energy sources being constructed. The share of existing and newly implemented projects of buildings with solar panels is also very low.

The dominant source of energy among renewable sources in the Czech Republic is biomass, whether used in households or outside households, and the production of energy from biogas is also relatively well represented. In the vast majority of cases, the RES plants are not connected to an energy storage. The necessary legislation to enable energy storage to be optimally integrated into the transmission and distribution systems is missing.

**Content:** Support will be increased for sources producing energy from renewable sources respecting the limits resulting from air protection, nature protection and landscape conservation and monument protection. The measures will be specifically targeted at an adequate contribution of the Czech Republic to energy from RES resulting from the approved EU RES target and at delivering the sectoral targets in the area of heating and cooling and in the transport sector, set out in the revised Directive on the promotion of the use of energy from renewable sources. Due to the expected increase in storing energy in battery power sources, the relevant legislation will be created to allow the use of energy storage facilities for the supply of electricity to the transmission system in the event that the energy storage facility is connected to renewable sources characterized by fluctuations in electricity generation. The measures should also specifically target small RES production plants on buildings or adjacent lands that are not primarily intended for the production of energy from such sources (specifically supported e.g. by the New Green Savings programme).

**Target situation:** Increased number of new renewable energy production plants (e.g. wind farms, small hydropower plants, solar, biomass and biogas power plants and cogeneration plants, supplying electricity to the distribution system).

**Target group:** Investors, municipalities, small and medium-sized enterprises, citizens

**Main holder:** MIT

**Other holders:** MoE, ČEPS, a.s. (national transmission system operator), territorial partners

**Main implementers:** MIT, municipalities, local action groups and other actors in the territory, voluntary associations of municipalities

**Type measure 39: To modify the transmission and distribution system in order to enable the connection of new renewable energy sources**

**Problem:** RES generators may be specific in that they produce electricity unevenly, which requires adaptation of the transmission system and distribution systems when such sources are connected to the grid. Due to the need for further development of power plants using renewable sources and the installation of small local sources in rural areas, the transmission and distribution system must also be adapted locally. The impact of the development of renewable energy sources on the transmission and distribution system should be partly offset by energy savings resulting from increasing energy efficiency.

**Content:** The use of site-specific modifications to the transmission and distribution system will enable the connection of new renewable energy sources.

**Target situation:** Appropriate measures will enable the connection of new renewable sources. New RES-generation plants will be able to connect to the transmission and distribution system.

**Target group:** Investors, municipalities, SMEs, local communities and citizens

**Main holder:** MIT

**Other holders:** ČEPS, a.s., territorial partners

**Main implementers:** transmission and distribution system operators

## **Strategic Objective 4**

### **Revitalized and economically restructured regions, adapted and flexibly responsive to market needs**

Fundamental changes are initiated in structurally affected regions to enable their economic transformation to new, competitive sectors. The educational fields in the regions correspond to the job offer. Conditions are created for the development of scientific and research activities. In the regions, most of the environmental burdens are completely remediated and active steps are taken to resolve the remaining ones.

#### **Specific Objective 4.1: *Growing businesses able to cope with changes in global markets***

##### **Justification of the specific objective:**

Structurally affected regions are still dependent on large traditional firms. Moreover, the economic sectors that are crucial for these three Regions are currently more threatened by global competition. The Regions concerned are characterized by a low number of newly established businesses. A smaller number of new, innovative enterprises contributes to the low number of attractive new jobs created.

##### **Solution:**

Activities will be undertaken to facilitate the growth of existing businesses, in particular SMEs, to improve their ability to enter new markets both geographically and in terms of products, and to facilitate the introduction of new technologies and the adaptation to changes in international markets. Entrepreneurship will be promoted and services and assistance to start-up companies will be offered in order to increase their success rate and ability and motivation to enter new markets outside the Region and outside the Czech Republic. Companies will be motivated to use R&D results, to become more innovative and to carry out their own research, or to engage in research projects that will improve their competitiveness and lead to innovation.

**Type measures:** *According to the economic restructuring action plans.*

#### **Specific Objective 4.2: *Increasing the volume of foreign direct investment with higher added value in structurally affected Regions***

##### **Justification of the specific objective:**

All the Regions concerned are lagging behind the Czech Republic's average in terms of the inflow of foreign direct investment per capita, and that situation is deteriorating after the economic crisis in 2009–2011. The lower attractiveness of the Regions for foreign investors is due to the former orientation of the Regions to mining and heavy industry and to the structure and qualification of the workforce.

##### **Solution:**

Creating favourable conditions for foreign direct investment, in particular with higher added value, by encouraging the emergence of an attractive, investor-friendly business environment, quality offers of available industrial/ commercial real estate, and by providing professional services to (external) investors. Involvement of Regional public administration players (municipalities, towns and Regions)

in improving the conditions of the business environment, both for foreign investors and for domestic companies.

Type measures: *According to the economic restructuring action plans.*

**Specific Objective 4.3: *Fostering the growth of innovation performance by research and development with greater benefits for the economy***

Justification of the specific objective:

Structurally affected Regions are characterized by low innovation performance, lower research and development expenditures and generally lower scientific and research performance. In all the Regions concerned, there are also quality scientific and research activities, but only in a limited scope.

Solution:

Increasing the contribution of research and development in structurally affected Regions to economic growth and economic restructuring by taking greater account of private sector needs, improving the linkage between R&D and its applications, including public services (e.g. healthcare, spa care, etc.). Improving the position of research teams and organizations in international comparison and their greater involvement in international research activities. Increasing the attractiveness of research and development in structurally affected Regions. Exploiting the potential of Regional scientific libraries as institutions providing access to information for research, development and innovation as well as popularizing the results of science.

Type measures: *According to the economic restructuring action plans.*

**Specific Objective 4.4: *Ensuring competent people/workers for the industry, services and public administration***

Justification of the specific objective:

In structurally affected Regions, there is a smaller offer of more qualified jobs and lower quality of human resources. The workforce is not well prepared for the disciplines offered in the regions, also due to rather below-average educational attainment levels. Labour shortages are also caused by the setting of the system of benefits that does not motivate the unemployed to return to the labour market.

Solution:

Providing a sufficient number of quality workers for industry, services and public administration by offering more jobs for highly skilled workers, improving their training and focusing the training on ongoing economic and social changes, better training for medium-skilled workers, greater motivation of unskilled people to work and development of entrepreneurship. Increasing the motivation of people in early retirement and old-age pensioners to return to the labour market. Developing and implementing the concept of lifelong learning.

Type measures: *According to the economic restructuring action plans.*

**Specific Objective 4.5: Removing development barriers related to social instability and making better use of the potential to transform and develop the Regions**

Justification of the specific objective:

Structurally affected Regions are characterized by lower quality of human resources and lower average educational attainment levels. Poverty and the number of socially excluded localities are increasing. High unemployment persists in the regions, and at least in some parts, there are low wages and thus the standard of living stagnates. The sub-indicators of structure (e.g. fields of study, teaching staff) and educational outcomes (across-the-board and sample testing, school-leaving exam success rate, early drop-out rate) of Regional education systems illustrate a substantial increase in disparities in ensuring the quality of education in structurally affected regions. In these Regions, the population is aging more dynamically than in other Regions, which is to a certain extent caused by selective migration (i.e. mainly of younger inhabitants).

Solution:

Removing development barriers related to social instability and making better use of the human potential to transform and develop the Regions with a view to stabilizing the social situation and reducing social disparities, increasing safety and security, increasing the attractiveness of housing and providing quality public facilities and attractive services, and enhancing civic engagement and healthy lifestyle. Interventions (infrastructure, human resources) to ensure comparable quality of education systems in the structurally affected regions. Developing and implementing the concept of lifelong learning.

Type measures: According to the economic restructuring action plans.

**Specific Objective 4.6: Revitalizing and regenerating the territory for better entrepreneurship and healthier living of the population**

Justification of the specific objective:

In the past, the territory of the Ústí nad Labem, Moravian-Silesian and Karlovy Vary Regions was heavily affected by mining or opencast mining and intensive industrial activity. The most serious phenomena include deteriorated air quality, soil and groundwater contamination due to industrial activity, mine subsidence and surface water pollution. There are several thousand environmental burdens registered in the Regions. Each Region has a number of brownfields which are often associated with environmental burdens, but also an unclear ownership structure. The incomplete revitalization of brownfields makes it impossible to use them for industrial production and harder for new investors to enter. The presence of environmental burdens, brownfields and unused and neglected sites and buildings has a negative impact on the attractiveness and image of the Region and is one of the factors influencing the decision-making of the population to leave the region - for more attractive job opportunities but also a better urban environment.

Solution:

Revitalization and regeneration of areas heavily affected by mining and industrial activities and regeneration of deprived or peripheral areas in settlements with a high population concentration. Measures to reduce pollutant emissions.

Type measures: *According to the economic restructuring action plans.*

## **Strategic Objective 5**

### **Good quality of life in economically and socially vulnerable areas**

In economically and socially vulnerable areas, including the administrative territories of municipalities overlapping with former military areas, good quality of life is ensured in terms of ensuring a basic spectrum of public services and a functioning local economy based on successful local firms. The territories have adequate transport connections to higher-order centres.

At the same time, the development of the local economy contributes both to the development of local capacities and to the creation of local jobs for those who find it difficult to find employment and for young people leaving the region for job opportunities in economic centres. Moreover, such companies are more likely to have a positive impact on regional development through local profit investment.

In the territory of former military areas, the environmental burdens and brownfield structures, which remained without further use after the end of military activity, are removed.

#### **Specific objective 5.1: Increasing the diversification of economic activities and supporting the creation of local jobs**

##### Justification of the specific objective:

In areas that can be classified as economically or socially vulnerable, it is necessary to support the local economy. Even in these territories, there are often successful local firms, however, they often have limited opportunities for further growth.

##### Solution:

The stabilization of vulnerable areas will be supported, for example, through the diversification of agricultural and non-agricultural activities (including partial tourism activities). Specific support will be provided through an advisory network (e.g. in helping to find suitable new markets or in the development of social entrepreneurship). Steps will be taken to facilitate further growth of business entities and their mutual interconnection in the territory. It is appropriate to support the development of existing enterprises as well as the establishment of new ones. Further development of cross-border cooperation is a potential tool for border regions.

In order to solve the problems of former military areas, it is necessary to support activities aimed at finding their new use, removing environmental burdens caused by military activities, including brownfields.



Type measures:

**Type measure 40: To develop small businesses and SMEs**

**Problem:** In economically and socially vulnerable areas of the Czech Republic, it is desirable to pursue the development of micro and small and medium-sized enterprises.

**Content:** Business opportunity mapping; cooperation projects, shared economy and financial support (e.g. business microfinance, small incentives, local brands, crafts, social enterprises). The support for local entrepreneurship should consider linking instruments of financial support for business development with employment support instruments (active employment policy / local employment networks).

**Target situation:** Increased number of local SMEs contributing to the creation of stable local jobs, including jobs for people who otherwise find it difficult to find employment. Existence of a network of local consultation centres linking local actors.

**Target group:** Local entrepreneurs, the unemployed and other people at risk on the labour market.

**Main holder:** MIT (methodological guidance)

**Other holders:** Czech Chamber of Commerce, CzechInvest, MoRD, MF CR, ASI, MLSA

**Main implementers:** municipalities, voluntary associations of municipalities, Regions, local action groups, non-profit organizations

**Type measure 41: To strengthen local employment as part of public investment**

**Problem:** Low share of local firms involved in the performance of public contracts awarded by local contracting authorities, persistent regional disparities in unemployment levels, lack of skilled labour.

**Solution:** Public procurement using the so-called socially responsible public procurement, which also contributes to the solution of more general societal objectives or social aspects. Such objectives could be the use of the long-term unemployed, people at a disadvantage in the labour market or school-leavers from selected fields of study in performing the contracts, communicating with local SMEs in planning and preparing public contracts, addressing local businesses for smaller contracts, ensuring decent working conditions and the required minimum financial remuneration for persons involved in the performance of the contracts. It is not only the very possibility of employment that matters, but also the setting of minimum employment standards and decent pay. Otherwise, the problem is replicated and so-called working poverty arises, where the State has to compensate the low incomes of employees by various forms of social benefits for low-income households.

**Target situation:** Increased number of contracts performed by local companies, employment of local employees as part of public investments.

**Target group:** people disadvantaged in the labour market

**Main holder:** MLSA

**Other holders:** MoRD

**Main contractors:** municipalities, voluntary associations of municipalities, Regions

**Type measure 42: To encourage external investment**

**Problem:** In the economically and socially vulnerable areas of the Czech Republic, there is a problem with the availability of jobs, their structure and higher unemployment.

**Solution:** Attracting investments (domestic and foreign) by a combination of investment incentives and a targeted offer of qualifications for the local workforce and available technical infrastructure and real estate for business. Retraining of the workforce, increasing knowledge and competences, lifelong learning. CzechInvest's regional offices can prepare and communicate a targeted offer to investors.

**Target situation:** Domestic and foreign investors are established in the territory, complementing local value chains and/or using unique local resources and creating jobs, the qualification of which matches the local labour supply.

**Target group:** Residents of selected territories

**Main holder:** MIT

**Other holders:** MLSA, MEYS

**Main implementers:** MIT, CzechInvest, municipalities, voluntary associations of municipalities, Regions

### **Specific objective 5.2: Ensuring good transport service within the region and in a link to agglomerations and metropolises**

#### Justification of the specific objective:

It is essential to have good transport links to regional centres, even from outlying villages. Limited transport service at weekends but also on weekdays hampers the mobility of the local population.

#### Solution:

Connections within regions will be improved and possible ways to improve the transport service in remote rural and peripheral regions (including possible legislative arrangements for effective transport services) and to ensure better transport accessibility of public administration services will be considered. Interconnection of Regional integrated transport systems will be improved at the national and international level, thus achieving better transport connection of municipalities near Regional and State borders.

#### **Type measure 43: To ensure good transport service**

**Problem:** Inhabitants of remote and hard-to-reach locations face a number of difficulties (e.g. low accessibility of the labour market, insufficient links to regional centres, etc.) associated with the lack of transport service in such areas. Insufficient transport service hinders the economic exploitation of the potential of the place and the development of employment and services. The problems include the low frequency of connections on weekdays and weekends and public holidays.

Insufficient weekend connections impede the accessibility for visitors and thus create, among other things, an obstacle to the development of tourism in the areas. Transport service could also be ensured by alternative means (e.g. subsidized minibuses, etc.), but also by legislation.

**Content:** Provision of transport service in remote and hard-to-reach locations should be addressed through regional transport service plans, including by alternative means, such as the service for remote

stops through so-called radiobus (demand responsive transport). A potential solution for municipalities is to order bus transport beyond the Regional order.

**Target situation:** Better, sufficient transport accessibility of remote and difficult to reach locations.

**Target group:** Residents of remote and hard to reach locations

**Main holder:** MT

**Other holders:** -

**Main implementers:** municipalities, voluntary associations of municipalities, Regions, local action groups, Regional public transport companies

**Specific Objective 5.3: *Effectively preventing social exclusion and energy poverty<sup>64</sup> and promoting community life in municipalities***

Justification of the specific objective:

The latest mapping of socially excluded localities shows a doubling of both the absolute number and the population of socially excluded localities compared to 2006, the number of the localities in the Karlovy Vary and Moravian-Silesian Regions has more than tripled. In absolute numbers, the most socially excluded localities were added in the Ústí nad Labem and Moravian-Silesian Regions.

These are often areas in the hinterlands of large cities that have a positive migration balance but are also characterized by a high level of social exclusion, as well as former industrial centres (northern Bohemia and Moravia) or remote rural areas characterized by labour outflows, declining employment opportunities, population aging and vacant housing capacities. Support for social inclusion in these territories is limited by generally low availability of employment opportunities and higher costs of providing support for socially excluded people in small municipalities.

Although at least some economically and socially vulnerable areas are characterized by a higher degree of neighbourly adhesion (or social capital), further development of community life is important also for keeping the population in the areas.

Solution:

Given the increased concentration of social exclusion, steps will be taken to prevent social problems and reduce socially pathological phenomena. In addition to preventive measures in the sense of reducing the risk of new socially excluded localities, tools will be sought for addressing existing risks and capacity of social prevention services will be built so that they are accessible also for inhabitants of remote and small municipalities. It is necessary to develop and implement the concept of lifelong learning.

Similarly, it is appropriate to implement activities that will halt the outflow of young and qualified part of the population. In this context, ensuring a sufficient number of jobs for the skilled workforce (link to Specific Objective 5.1) appears to be key. In economically and socially vulnerable areas, it is also suitable to support community life and associations.

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<sup>64</sup> In the context of this document, energy poverty means a deteriorated ability of households to finance their energy costs.

Type measures:

**Type measure 44: To address problems related to socially excluded localities and prevent their emergence**

**Problem:** In the economically and socially vulnerable areas of the Czech Republic, there are many socially excluded localities characterized by a high number of long-term persisting problems associated with insufficient economic and social inclusion of the population in society. The phenomenon of energy poverty is also a growing problem.

**Content:** Preventing the emergence of socially excluded localities and addressing existing problems through comprehensive interventions according to local social inclusion plans that combine measures based on the local needs of housing, social work, employment and education (e.g. social housing, support for social work and social worker activities in the territory, including field workers, social counselling, social services, community work and employment support).

A key aspect is to support young people and their access to quality non-segregated education and non-segregated leisure activities and to support the transition to the free labour market. Awareness-raising, education and mapping of the situation in socially excluded localities will be ongoing. Reducing the risk of energy poverty. Developing and implementing the concept of lifelong learning.

**Target situation:** Coordinated and comprehensive interventions will achieve better integration of the inhabitants of socially excluded localities into economic and social ties and will address existing socially excluded localities and reduce the risk of new socially excluded localities emerging.

**Target group:** Inhabitants of socially excluded localities.

**Main holder:** ASI

**Other holders:** MLSA, MoRD

**Main implementers:** ASI, Regions, municipalities, voluntary associations of municipalities, local action groups

**Type measure 45: To develop community life in municipalities**

**Problem:** Low diversity and attractiveness of cultural and social life in a large part of rural communities.

**Content:** Support of local associations through adequate measures (e.g. subsidies to support the activities of associations, organization of events, operation, maintenance, reconstruction of unsuitable premises) and development of community or (micro)regional centres and community social work. Exploiting the potential of public libraries as educational, cultural and community centres.

**Target situation:** Increased social cohesion, diversity and attractiveness of cultural and social life in municipalities.

**Target group:** Interest associations and clubs, municipalities

**Main holder:** MoC, MLSA, MoRD

**Other holders:** MoE (local agenda), MoA, MEYS, MoRD, MF CR, MoI, ASI

**Main implementers:** municipalities, voluntary associations of municipalities, Regions, NGOs, church entities, local action groups

#### **Specific Objective 5.4: Ensuring sufficient public facilities**

##### Justification of the specific objective:

In economically and socially vulnerable areas, the availability of services and public facilities is worse. Poor availability of these services deteriorates the quality of life, especially for certain groups of people who are unable to commute to higher-order centres. The problematic availability of services also hinders the economic use of the territory, for example in tourism services.

Another problem is often the worse quality of education services, reflected also in the indicators in the area of regional schools - including, for example, the international survey on educational outcomes PISA, TIMMS, or national testing carried out by the Czech School Inspectorate, results of uniform entrance examinations for secondary schools, results of pupils in the common part of the school-leaving examination, the share of early school leavers, employment and unemployment of secondary school leavers, proportion of children attending preschool education, equipment of schools etc. which indicate stagnation or degressive trends in the education systems of the structurally affected Regions.

##### Solution:

In this context, steps will be taken to ensure a basic spectrum of public services and public facilities.

Support will be provided for mobile services - field services of social and health care. Conditions will be created for the formation of integrated services (e.g. postal services, public administration). The availability of the integrated rescue system in remote regions will also be improved. The potential of public libraries as educational, cultural and community centres will be exploited.

Interventions (focusing on infrastructure and human resources) will also pursue the aim of ensuring comparable quality of educational services in the economically and socially vulnerable areas of the Czech Republic as a key tool for reducing the increase in socio-economic inequalities and for strengthening the vertical mobility of the population.

##### Type measures:

#### **Type measure 46: To provide public facilities**

**Problem:** Insufficient supply of services, including commercial, insufficient deployment and availability of high-speed internet access in some rural communities.

**Content:** Addressing the problem by promoting shared spaces for business services (e.g. grocery, post office, pick-up point for e-shops, etc.), mobile public services (e.g. clerks, legal service, counselling, social worker), public libraries, nursery and primary schools. Construction of the backbone infrastructure required to cover these areas with high-speed internet connection (min. 100 Mbps, with the possibility of future upgrades to 1 Gbps), development of digital applications and the Internet of Things system to provide local public services and other services according to the specific needs of the selected location. The problem of insufficient commercial services has to be addressed by supporting retail outlets and implementing alternative solutions (e.g. mobile shops).

**Target situation:** Sufficient coverage of the economically and socially vulnerable areas by basic services, facilities, high-quality internet access (enabling, inter alia, the use of digital technologies in the provision of public services) and energy supply. Where relevant, local service providers are preferred.

**Target group:** Residents of economically and socially vulnerable areas.

**Main holder:** MoRD

**Other holders:** MIT, MF CR, MLSA, MEYS, MoA

**Main contractors:** municipalities, Regions, voluntary associations of municipalities, local action groups, service providers

**Type measure 47: To reduce the dropout rate in primary and secondary schools and to give support to early school leavers**

**Problem:** The rate of early school leavers in the Czech Republic is not high compared to the European average, but in recent years it has been growing relatively quickly and tends to concentrate in economically and socially vulnerable areas. Moreover, early school leavers generate increased costs of the State per pupil/student.

**Content:** The type measure will include activities aimed at (a) reducing the risk of early school leaving at primary and secondary levels of education, as well as activities aimed at (b) early school leavers, in particular job applicants and job seekers.

With a view to reducing early school leaving, measures will be taken to improve the quality of the system for monitoring and registration of pupils at risk, measures to promote permeability of the education system and ensure flexibility in educational paths, facilitate changes in educational pathways, including recognition of prior learning outcomes; and recommendations will be provided as to the structure of the fields of study at secondary education level. Measures in the schools themselves (primary and secondary) are also essential, consisting in the availability of teaching support professions (prevention methodologists, educational counsellors, career advisors, school psychologists), methodological materials identifying specific risk factors, reflecting the profiles of vulnerable pupils, including methodology for identifying pupils at risk of early school leaving, establishing procedures and interventions suitable for the individual profiles of pupils, and in particular the availability of further training of teachers in the area. In order to motivate pupils, who have not completed primary education but have fulfilled the requirement of compulsory education, to enter secondary education, it is necessary to offer such option to the pupils already during primary school education. Here, both Regions and regional employers play an essential role, as they can, through educational advisors at primary schools, promote opportunities to acquire secondary education and subsequently be able to find employment and perform qualified work.

For job applicants and job seekers who are early school leavers, a crucial role is played by the Labour Offices which must ensure an individual approach in providing career guidance.

The key is the development of networking, or cooperation between branches of the Labour Office, individual schools and education authorities. Pursuant to Section 55 par. 3 of Act No 561/2004 Coll., on pre-school, primary, secondary, post-secondary vocational and other education (the School Act), it is possible to organize courses for the completion of primary education, including in distance form, for persons who do not complete primary education but only meet the compulsory school attendance, if it is in accordance with the Framework Educational Programme for primary education and in consultation with the education authority of the primary or secondary school and the Regional Authority.

**Target situation:** Reduced risk of early school leaving and adequate and easily accessible support for those who have already left education in their efforts to complete primary/ secondary school or to acquire appropriate qualifications.

**Target group:** Primary and secondary school pupils who have left school early or are at risk of leaving school early.

**Main holder:** MEYS, MLSA

**Other holders:** ASI

**Main implementers:** MEYS, Labour Office, Regions, municipalities, secondary schools, primary schools

## **Strategic Objective 6**

### **Quality planning of regional development that contributes to the achievement of regional policy objectives**

Regional policy priorities, defined in the Regional Development Strategy, are pursued in close cooperation among the MoRD, ministries, Regions and other actors of regional development. Regional policy principles are also enshrined in sectoral strategy papers and policies. Strategic and spatial planning tools are mutually coordinated at all levels. The planning takes place at the level of functional regions respecting the commuting relations in the territory. Municipalities and other actors in the territory (private and non-profit entities) have good conditions for mutual cooperation.

#### ***Specific Objective 6.1: Strengthening the coordination of strategic and spatial planning***

##### ***Justification of the specific objective:***

At present, strategic and spatial planning is not always coordinated at various hierarchical levels (national, regional, local). The strategic view of regional development is not sufficiently addressed, which leads to thematic investment duplications. The specific objective of RDS is based on specific objectives 16.1 and 16.4, defined in the Implementation Plan for the Strategic Framework Czech Republic 2030.

##### ***Solution:***

Coordination of spatial and strategic planning at different hierarchical levels (national, regional and local) will be strengthened, not only by methodological support, but also by the creation of State expertise (with a methodological function as well as a support function for individual public investors, and a coordination and evaluation function). In accordance with the Strategy of the Czech Republic 2030, a methodology will be developed for the coordination of spatial and strategic planning at the level of the State, Regions and municipalities, taking into account the content and timing of spatial-planning and strategic documents. The optimal sequence (in terms of the territorial projection of the strategic plan) is the creation of the strategic plan, followed by the spatial plan and their subsequent interaction. The strategic and spatial planning will include as its integral part the issue of comprehensive solutions to moisture conditions and societal demands on the water management characteristics of the area. This component of spatial planning will be addressed from the perspective of comprehensive river basins, not only from the perspective of territorial self-governing units.

In the area of strategic planning, the optimization of tools reaching beyond the municipality (at the level of municipalities with extended powers (MEPs) according to the draft Territorial Administrative Breakdown Act) will be considered, but it will be taken into account that some tools of spatial planning (e.g. territorial research studies) and strategic planning (ITI and CLLD strategies) are drawn up for territories other than the current administrative territorial units. It is also desirable to strengthen the link between spatial planning, population protection and crisis management (taking into account the negative impacts of climate change or in buildings where large numbers of people gather).

There will be greater emphasis on financial feasibility, societal benefit, as well as an analysis of the degree of strategic value and the crowding-out effect of individual projects will be analysed (the aim



is for the projects not to compete with each other but to generate synergies) under the supervision of the State expertise.

The activities will include education, awareness raising and active cooperation among all stakeholders in the territory, taking into account environmental limits and the quality of life of the population.

Type measures:

**Type measure 48: To create a methodology for coordinating strategic and spatial planning**

**Problem:** Coordination between strategic and spatial planning and cooperation between actors is not always well functioning. Methodological ambiguity, lack of evaluation of all project parameters, or missing analyses of duplications and crowding-out effects lead to a waste of public resources or lower effectiveness of public investments.

**Content:** Developing a methodology for coordinating strategic and spatial planning and a methodology for selecting and prioritizing strategic projects and putting it into practice through training, awareness raising and cooperation between stakeholders.

**Target situation:** The existence of a methodology for the coordination of strategic and spatial planning and its effective implementation in practice and, above all, unification of the methodological view of projects. Existence of a methodology for assessing projects in terms of both financial effectiveness and feasibility, societal benefits and strategic value.

**Target group:** Actors in strategic and spatial planning at all hierarchical levels.

**Main holder:** MoRD

**Other holders:** MIT (in relation to territorial energy concepts)

**Main implementers:** MoRD, Regions, municipalities, voluntary associations of municipalities, LAGs

**Specific Objective 6.2: Developing strategic planning based on functional regions and strengthening cooperation among actors in the territory**

Justification of the specific objective:

In the 2014–2020 programming period, the Czech Republic developed strategic planning at the level of functional regions, i.e. territories extending beyond the cadastral boundaries of municipalities, taking into account functional relations in the territory (mainly ITI, ITDP, CLLD instruments and development strategies of associations of municipalities, integrated plans for the development of tourist destinations - Regions, areas and municipalities). Given the characteristics of the Czech settlement system (fragmented structure of municipalities), it is appropriate to continue to develop such instruments.

Given the large number of small municipalities, cooperation between municipalities is an effective tool that minimizes the costs of certain agendas within the self-governing competence of municipalities. The purpose of cooperation between municipalities is also the more efficient sharing of expert capacities. There are several forms of cooperation between municipalities in the Czech Republic, such as voluntary associations of municipalities and local action groups.

It is also appropriate to continue the cooperation of all actors of regional development, including private and non-profit organizations, through established tools (local action groups, destination management organizations, support from ASI in regions with SELs, etc.). An important element of cooperation in the territory is cross-border cooperation.

*Solution:*

Strategic planning based on functional regions will continue to be supported in both urban and rural areas. One aspect of such support will be the continuation and development of integrated instruments (e.g. ITI, CLLD). When defining functional regions, the boundaries of territorial self-governing units should be taken into account. Possibilities and conditions of analogous application of spatial planning methods and principles in the field of strategic planning will be verified, including potential impacts on the legal order<sup>65</sup>.

Existing forms of voluntary cooperation of municipalities, such as voluntary associations of municipalities or local action groups, can be further developed. Emphasis will be placed on supporting the forms of cooperation applied in MEPs, especially if they cover the whole MEP territory, including the administrative centre. Stakeholders will seek ways to motivate municipalities to cooperate.

The options of strengthening the role of MEPs as actors who plan for the whole administrative district will be evaluated. In this context, the State will create incentive tools to support MEPs in planning based on functional regions (in this context of the administrative districts). The main advantage of MEP administrative districts, unlike other territorial units, is their territorial composition and, in most cases (with the exception of some administrative districts in the hinterlands of large cities), the fact that they correspond better to functional regions compared to other territorial units.

It is also advisable to continue to support institutionalized as well as informal forms of cooperation between the public, private and non-profit sectors (LAGs, destination management organizations), particularly for the implementation of partial project plans in a specific area (water infrastructure, tourism, etc.).

Steps to further develop cross-border cooperation, including in relation to the further development of outer peripheries and structurally affected Regions, will continue to be supported. In the future, inspiration can also be drawn from the institution of local partnership applied with the support of ASI in municipalities involved in a coordinated approach to socially excluded localities.

*Type measures:*

***Type measure 49: To give positive motivation for joint strategic planning***

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<sup>65</sup>However, this principle often does not suit the system of tourist destinations, as the tourist destinations do not respect the administrative division of the Czech Republic, but rather work with logical territorial units from the viewpoint of visitors (the mountain ranges of Šumava, Krkonoše, Jeseníky, Brdy, etc.) Tourism destinations also often do not correspond to the CLLD breakdown (natural tourism destinations spread over several LAGs). These aspects must be considered and taken into account when setting any support, as tourists/ visitors are not interested in whether the mountains they want to visit lie in the territory of 2 or 3 regions, but whether they receive comprehensive and uniformly arranged information.

**Problem:** Strategic planning still largely takes place within the cadastral boundaries of municipalities; natural functional relationships in the territory are little supported. Municipalities are not motivated to carry out joint strategic planning (e.g. at the level of functional regions). Coordination of the approval of joint strategic plans by all concerned municipal councils can also be complicated. There is no uniform methodology for defining functional regions (for example for the purpose of the integrated instrument ITI). Municipalities are not naturally motivated to share data on their strategic investments, which can complicate the creation of tools supporting their implementation.

**Content:** Giving greater motivation to municipalities and Regions to plan their support for the development of territories on the basis of functional regions (i.e. regions reflecting real relations in the territory, not necessarily regions within their administrative boundaries). The motivation can be both financial and non-financial - for example, support conditioned by involvement in a higher-order strategy, professional assistance, or financial support for the preparation of strategic plans within specific programmes, or the creation of conditions at the MEP or Regional level. Creating a uniform methodical procedure for defining functional regions primarily at the level of significant catchment centres.

Establishing a system of collecting strategic projects of individual public investors with additional analytics and at the same time with information services for individual entities (e.g. information on the possibility of supporting a project included in such a system).

**Target situation:** Active cooperation between municipalities in the territory in planning joint activities.

**Target group:** Authors of strategic documents at Regional and local level.

**Main holder:** MoRD in cooperation with MoI

**Other holders:** ASI

**Main implementers:** actors in the territory dealing with strategic planning, municipalities, Regions, voluntary associations of municipalities, local action groups, ASI

#### **Type measure 50: To develop cooperation among municipalities in the performance of public administration in autonomous powers**

**Problem:** Taking into account the increasing administrative and professional demands, it is difficult for some municipalities to ensure the effectiveness and the necessary quality in the performance of public administration and in the provision of public services falling under the autonomous powers. At the same time, there is a need to strengthen voluntary cooperation between municipalities in matters of territorial development, and generally strengthen its coordination in relation to Regions and the Ministry of Regional Development. The heterogeneous relationship between municipalities with extended powers and other municipalities within their administrative district is also a problem in this respect.

**Content:** Increasing the support for voluntary cooperation of municipalities within the administrative districts of municipalities with extended powers, and increasing the coordination role of municipalities with extended powers, performed as part of delegated powers, in addressing territorial development problems.

In this respect, the administrative districts of municipalities with extended powers are understood as the basic units in the territory for the development of such links because they are enclosed and have

natural territorial ties. To this end, the organizational and legal forms should also be expanded. High-quality public administration and public services can be performed in offices established under voluntary associations of municipalities (i.e. “VAM offices”, sometimes referred to as “Common Services Centres”), which are established within the administrative districts of municipalities with extended powers. The effectiveness of the voluntary cooperation of municipalities will be regularly evaluated. The changes proposed above do not abolish existing forms of cooperation between municipalities, they merely expand them with other possibilities.

Cooperation between national, municipal and regional institutions and initiatives in the programme area is an essential basis for further integration of cross-border spaces. The established cooperation structures need to be stabilized and further developed and the development of new contacts encouraged to take due account of the programme area requirements. An important role in developing cross-border cooperation at local level is played by euroregions.

In the case of tourism activities, it is advisable to take into account the natural territory of the tourism destination and the ways in which visitors move around the destination. In the interest of sustainable development of tourism in the territory, it is appropriate to ensure cooperation of the LAGs and the destination management organizations.

**Target situation:** Strengthened cooperation of municipalities in addressing problems of territorial development, including possible stronger orientation on cooperation in this area within the administrative districts of municipalities with extended powers. Additional suitable organizational and legal forms created to strengthen the role and cooperation of municipalities in territorial development. The inter-municipal cooperation is carried out by the largest possible number of municipalities within the administrative districts of MEPs for the purpose of quality and effective performance of public administration and provision of public services.

**Target group:** municipalities, voluntary associations of municipalities

**Main proposed holder:** MoI

**Other holders:** MoF, MoRD

**Main implementers:** Municipalities, voluntary associations of municipalities, the Union of Towns and Municipalities (UTM CR), Association of Local Authorities (ALA CR), National Network of LAGs (note: partnership cooperation is also supported by many unions, associations and NGOs such as trade unions, chambers, socio-cultural institutions, educational institutions, libraries, environmental protection associations, cultural clubs etc.)

#### **Type measure 51: To identify specific needs of public administration in metropolitan areas and agglomerations**

**Problem:** At present, there are no specific territorial structures that could be used for public administration in metropolises and agglomerations (in delegated and autonomous powers); the usual administrative structures are more suited to the needs of administration in ordinary settlements. The issue of uneven opportunities for participation in public administration activities, which is lower in large cities, is also not addressed. There are no specific forms of voluntary cooperation of municipalities suitable for agglomerations.

**Content:** Solving the issue of territorial administrative structures around large cities. The existing regulation by means of local offices of selected municipalities with extended powers is only partial and insufficient. Support of additional forms of citizens' participation in public administration. Supporting the creation of new forms of voluntary cooperation between municipalities allowing for cooperation even among remote municipalities, where relevant, if such cooperation is necessary for the functioning of the agglomeration as a whole.

**Target situation:** A new division of powers in delegated competence in the surroundings of metropolis centres and agglomerations. Support for new forms of municipal voluntary cooperation between municipalities in agglomerations, including financial instruments.

**Target group:** Statutory cities and other municipalities in metropolitan areas and agglomerations

**Main proposed holder:** MoI

**Other holders:** MoRD, MF CR

**Main implementers:** MoI, MoRD, statutory cities

#### **Type measure 52: To establish and develop a regional system of support for sustainable development**

**Problem:** Insufficient opportunities for training in sustainable development. This results in insufficient competence of public administration in this area and consequently insufficient application of the principles of sustainable development (hereinafter referred to as "SD") in public administration.

**Content:** Establishment of regional "Sustainable Development Centres" (LA21) to promote training, awareness-raising / promotion and participation and dissemination of good practice from the regional level. Offer of consultation and advice, including professional. This would create the desirable (declared) vertical interconnection of levels: national, regional and local. The content would be created with the support and under the "supervision" of the State. Funding initially from European grant sources, and subsequently from (increased) regional budgets.

**Target situation:** Sustainable development is a prerequisite for long-term existence of a society. A zero option would mean a non-systematic approach to the issue with a negative impact on the societal, economic and environmental areas and would result in the State lagging behind developed countries, both on a European and global scale.

**Target group:** municipalities, Regions, voluntary associations of municipalities, business sector, NGOs

**Main proposed holder:** MoE

**Other holders:** MoRD

**Main implementers:** municipalities, Regions, LAGs, voluntary associations of municipalities

### **Specific Objective 6.3: Taking into account the territorial dimension in sectoral policies and developing SMART solutions**

#### Justification of the specific objective:

The MoRD analyses show that the Czech Government provides a quite fragmented subsidy support, the system of which is confusing. It is also essential to eliminate overlaps of the individual subsidy schemes in order to avoid fragmentation of the support. Also, the national subsidy schemes do not accentuate sufficiently the territorial dimension. Also with regard to the expected decrease in funding from the European Structural and Investment Funds, it is desirable to take into account the needs of territories in national subsidy schemes where relevant. The concept of territorial dimension should also be taken into account when setting the new EU programming period (i.e. after 2020).

#### Solution:

The MoRD will initiate steps to make the system of national subsidy schemes more transparent (providing information on national subsidy schemes in one place, and in a unified structure) and to adequately reflect the needs of the individual types of territory when setting the schemes. The aim is not to anchor the territorial dimension in all national subsidy schemes, but only in those for which there is a justified need, arising from the RDS, to address the issue differently in different territorial contexts.

The MoRD will endeavour to include the territorial dimension in the post-2020 programming period. Even in the European Structural and Investment Funds, the territorial dimension will be promoted only in topics where the need to address them differently in different territorial contexts will be identified.

#### Type measures:

#### **Type measure 53: To clarify the system of national subsidy schemes**

**Problem:** Currently, information on national grant schemes is often confusing, using different terminology and not collected in a central database. Moreover, there are overlaps between the grant schemes. The relevant subsidy schemes should also take into account the different needs of the individual types of territory.

**Content:** A research project will be used to find ways to clarify the system of national subsidy schemes. The aim is to use uniform terminology when informing about national subsidy schemes and thus making the orientation easier for potential applicants. At the same time, making the whole system more transparent should reduce the risks of overlaps between the subsidy schemes.

Consideration should be given in the individual subsidy schemes to the extent to which it is appropriate to take into account territorial specificities in their implementation - whether in the context of the RDS or in otherwise defined types of territory.

**Target situation:** Clear and simple system providing information on national subsidy schemes, which take into account the territorial dimension in relevant cases.

**Target group:** Applicants in national subsidy schemes.

**Main holder:** MoRD

**Other holders:** all ministries

**Main implementers:** MoRD

***Type measure 54: To use the Territorial Impact Assessment tool at both policy and project level***

**Problem:** The ex-ante evaluation at the level of (sectoral) policies, strategic documents, but also of projects, does not exploit the potential of the Territorial Impact Assessment tool, which makes it possible to comprehensively assess the potential impact of a policy/ concept/ project on social, environmental and economic areas.

**Content:** Training of professionals at all levels of public administration to use the Territorial Impact Assessment methodology for project appraisal and to use the concept for a sophisticated Cost Benefit Analysis (socio-economic assessment) of strategic projects. Further development of the methodology also in policies/ concepts and its general linkage to the Cost Benefit Analysis.

**Target situation:** Objective data-based assessment of policies/ concepts/ projects, taking into account all aspects of sustainable development, elaborated in numerical quantification.

**Target group:** national, Regional and municipal actors

**Main holder:** MoRD

**Other holders:** all ministries, Regions, municipalities

**Main implementers:** MoRD, Regions, municipalities, local action groups, voluntary associations of municipalities

***Type measure 55: To use smart solutions in both urban and rural areas***

**Problem:** At the city level, SMART solutions are currently being implemented in a non-systematic way. These technologies and measures have the potential to contribute to addressing a wide range of areas (e.g. transport, energy, housing). Smart solutions are not sufficiently implemented even in rural areas where the application of such solutions could contribute to retaining the population there.

**Content:** Integrating SMART CITY and smart rural areas and smart communities in strategic planning. Cities can also offer their territory for testing technologies - SMART CITY LABs. The development of autonomous vehicles will also be supported, for example through testing on polygons. There is a need to further develop the principles of smart governance - a simple and transparent city administration that ensures controllable and predictable city management.

**Target situation:** Managed and effective implementation of SMART measures in urban, rural and community development.

**Target group:** municipalities

**Main holder:** MoRD

**Other holders:** MoE, MIT, MoT

**Main implementers:** UTM CR, ALA CR, National Network of LAGs, municipalities, Regions, regional innovation centres/ agencies, local action groups, owners of land and buildings, voluntary associations of municipalities

**Specific Objective 6.4: *Streamlining the performance of public administration and promoting secure provision of electronic services to citizens***

Justification of the specific objective:

In the 2014–2020 programming period, the completion of a functional eGovernment framework was supported, mainly at the technological level. If the benefits associated with computerisation of public administration are to be effectively exploited, it is necessary to offer a wide range of public services in electronic form. The direct contact with citizens takes place in the network of local authorities which serve as the front office and should provide the electronic services securely.

Solution:

Computerisation of public services or their corresponding parts will be supported in the whole network of self-governing units in accordance with their scope of powers. Citizens' access to such services will be simplified while maintaining the appropriate level of security. That way, the offices of self-governing units will become the centres of primary use of public services in electronic form.

**Type measure 56: To create a central catalogue and search engine for public administration services**

**Problem:** The emergence of too many independent solutions (e.g. portals), where each solution offers its own service terminology and user interface, and missing central settings of the services

**Content:** Creating a national catalogue and search engine of public administration services. The public must learn in one place and in a simple form about all existing services, both electronic ones and those that still have to be performed and provided by an officer. The basis is to tie the services to an improved definition of life situations and focus them on issues as perceived by the public. At the same time, the services must be presented in a uniform and understandable way.

**Target situation:** A created central catalogue and search engine of public administration services, which could be used also by municipalities and Regions for their solutions

**Target group:** citizens

**Main holder:** Mol

**Other holders:** all ministries, Regions, municipalities, voluntary associations of municipalities

**Main implementers:** Mol

**Specific Objective 6.5.: Improving work with regional development data**

Justification of the specific objective:



In the area of regional development, given the dynamics of processes and the need for quality planning of public services as well as anticipation of the emergence of socially excluded localities, it is necessary to work with available data sources. Work with data must be improved in many other areas - for example in analyses describing spatial development dynamics in metropolitan territories and agglomerations or in the field of tourism where it is necessary to have data for supporting tourism management in destinations or for monitoring visitor flows and motivation and preferences of visitors<sup>66</sup>.

One of the big problems with data processing is the still very low level of data sharing in public administration and the set mechanisms for any anonymization of individual data, which are, however, very important for retrospective evaluation of any public spending programmes not only in regional policy. Currently, various public authorities collect data in the Czech Republic, but there is no system for sharing such data. Another problem is the duplicated collection of data from regions for different purposes and the resulting reluctance to provide the valid data.

Solution:

A platform for continuous collection of investment data from the individual public investors will be created, and the system will be shared by all entities that can make a meaningful use of the data - i.e. municipalities, Regions, regional standing conferences, individual ministries, all citizens (width, depth and details of information). for each group). The system enables not only a continuous collection of data, but also data sharing and, above all, a very advanced analytical extension.

Planning of territorial development will be improved, for example through population forecasts. Public administration will carry out activities to improve the work with population forecasts, for example in relation to public service planning. In terms of processing regional development data, it is necessary to respond flexibly to current needs in a wide range of topics; the current needs, or measures and activities will be defined in the RDS action plans.

It would also be useful to prepare a research project on improving the data sharing in public administration, identifying possible solutions to the problem, and at the same time preparing the implementation steps towards a future solution.

Continually updating the rental price (value) maps.

Type measures:

**Type measure 57: To improve territorial development planning based on population forecasts**

**Problem:** Efficient and effective strategic planning must be based, inter alia, on demographic and derived forecasts that can be compiled for territorial units with different populations. The demographic forecasts should be part of the documentation used for the management, implementation and evaluation of RDS. The results of analyses of the past situation and dynamics of development, which usually lead to inaccurate ideas about future development, are not sufficient.

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<sup>66</sup> The availability of data on visitor rates in regions, including their seasonal and temporal concentration, is also very important for the municipalities so that they can respond adequately to higher demands on basic infrastructure (water supply, waste, etc.). In this respect, a sudden influx of visitors and tourists can be particularly challenging especially for small municipalities in highly attractive areas, which have a relatively low budget due to the low number of permanent residents and thus do not have the resources for the potential type infrastructure that is primarily designed for permanent residents.

Development planning and management requires, in particular, qualified forecasting conclusions drawn in accordance with the generally accepted population forecasting methodology. The demographic forecasts should also become a starting point for reflections on the trends in a number of non-demographic characteristics of the population and in other population-related systems that are part of the development of the territory, such as the number and structure of families and households, inhabitants in certain specific categories based on the social status and material situation, education attainment or participation in education, labour market position or human capital in the territory. At present, such conditions and prerequisites for the RDS implementation and effective management of territorial development are not sufficiently ensured.

**Content:** Creating a system of demographic forecasting. Elaborating derived forecasts for strategic planning and RDS management and implementation. Creating a unified demographic information system. Preparing and implementing specialized courses for public administration staff at all levels, focused on work with forecasts.

**Target situation:** Improved and standardized conditions for effective planning and management of regional development based on realistic ideas about the future. Created system of demographic forecasting and implementation of related activities and their practical application at all levels of public administration. A demographic information system created, and improved work with the results of demographic and derived forecasts and model projections and their use.

**Target group:** employees of ministries, Regions and municipalities involved in regional development and public services planning

**Main proposed holder:** MoRD

**Other potential holders:** Czech Statistical Office

**Main implementers:** MoRD, Regions, municipalities, voluntary associations of municipalities, LAGs

**Type measure 58: To monitor the concentration of social exclusion in the Czech Republic as a precondition for targeted interventions**

**Problem:** Social exclusion and the existence of socially excluded localities is a dynamic phenomenon. For its long-term solution, public administration must monitor the concentration of social exclusion including energy poverty in the territory and ensure tools enabling rapid intervention in the event of problems in the territory that are already beyond the power of local governments. In order to prevent the emergence of new socially excluded localities, it is necessary to continuously update the places in municipalities where socially excluded localities may arise in the future (however, updating the places where SEL may arise does not in itself lead to their prevention).

**Content:** Municipalities, NGOs and the Agency for Social Inclusion will cooperate in continuous monitoring of potential sites that could turn into new socially excluded localities. Responding to the identified facts by preventive measures.

**Target situation:** Interventions in the area of social inclusion are based on continuous monitoring or on a periodic research survey on the occurrence of SEL and their characteristics in the Czech Republic based on shared data. The State provides support (e.g. consulting, financial) to self-governments in the most affected areas.

**Target group:** Inhabitants of socially excluded localities or persons at risk of social exclusion.

**Main holder:** MLSA

**Other holders:** ASI, MoRD, MIT (in relation to energy poverty), territorial partners

**Main implementers:** ASI

## 4 IMPLEMENTATION PART

### 4.1 Principles of implementation

The aim of the implementation part is to define the basic parameters of RDS management. Ten key principles have been identified for the implementation of the RDS:

1. Binding force of the RDS
2. Strong implementation and organizational framework
3. Partnership approach
4. Integrated approaches - integrated solutions
5. Territorial dimension
6. Synergies
7. Measurability
8. Financial principles
9. Risk management
10. Awareness-raising and information

These principles weave through the entire implementation part (see Table 1). The structure of the implementation part is based on the Methodology for Preparation of Public Strategies.

**Table 1: The linking of the implementation principles to chapters of the implementation part**

Methodology for Preparation of Public Strategies <sup>67</sup>	Chapter of the implementation part	Principles of implementation
Activity 1: Creating a hierarchical structure of works	4.2	(1) Binding force (2) Strong implementation and organizational framework (4) Integrated approaches - integrated solutions (5) Territorial dimension
Activity 2: Setting the management structure of the strategy implementation	4.3	(1) Binding force (2) Strong implementation and organizational framework (3) Partnership approach (5) Territorial dimension
Activity 3: Setting the change management plan	4.4	(9) Risk management
Activity 4: Developing a risk management plan and determining the preconditions for successful implementation of the strategy	4.5	(7) Measurability (5) Territorial dimension (6) Synergies (9) Risk management
Activity 5: Setting up a system for	4.6	(7) Measurability

<sup>67</sup> Updated version of 28 January 2019, available at <https://www.mmr.cz/cs/Microsites/PORTAL-STRATEGICKE-PRACE-V-CESKE-REPUBLICE/Nastroje-a-metodicka-podpora/Vystupy-projektu>.

monitoring the progress against the strategy objectives		
Activity 6: Setting up an evaluation plan for the strategy	4.7	(7) Measurability
Activity 7: Setting up a communication plan for the strategy implementation	4.8	(3) Partnership approach (6) Synergies (10) Awareness-raising and information
Activity 8: Establishing a budget for the strategy implementation	4.9	(8) Financial principles
Activity 9: Establishing a timetable for implementing the strategy	4.10	(1) Binding force (2) Strong implementation and organizational framework

### 1. Binding force of the RDS

A key prerequisite for a successful implementation of the RDS is that it is respected by the individual ministries. The Act on Regional Development Support defines that the RDS defines tasks for the other central administrative authorities concerned to ensure the implementation of the set priorities and objectives. After the approval of the document by the Government, the individual ministries are expected to reflect the RDS in the preparation of their strategic documents and in setting their operational programmes and national subsidy schemes. The respect for the RDS and the follow-up action plans should also be ensured through a partnership approach, which should guarantee that all actors are in agreement on the objectives, measures and activities.

In relation to Regions, municipalities, their voluntary associations and other actors in the territory, the role of the MoRD is recommending based on the principle of relations between the State administration and self-governments. Nevertheless, a number of activities of territorial partners are directly funded through the MoRD (e.g. regional permanent conferences, or the regional manager of the RDS and the coordinator of economically and socially vulnerable areas), and so MoRD may require activities in the implementation and monitoring of the RDS.

In relation to self-governments, it is also possible to define some incentive instruments, for example co-financing from the State subsidy schemes only if the self-governments provide co-financing in a certain amount. The RDS role should be strengthened in relation to central State administration bodies, self-governing units, the professional public and foreign entities related to regional development.

### 2. Strong implementation and organizational framework

Another condition for successful RDS implementation is to build a strong implementation team (people, involved entities, etc.) and to ensure a solid organizational and implementation framework (premises and equipment, legislation, binding force, etc.) for it.

A strong implementation team with:

- *Competences and powers*
- *Organizational back-up*
- *Expertise*
- *Personnel stability*
- *Apolitical position*

A solid organizational and implementation framework that is

- *Binding*
- *Responsible*
- *Providing strong implementation instruments (financial and non-financial)*
- *Financially and materially secured in the long term*
- *Enforceable upon approval by the Government of the Czech Republic*

The management and organizational structure of the implementation is described in Chapter 4.3.

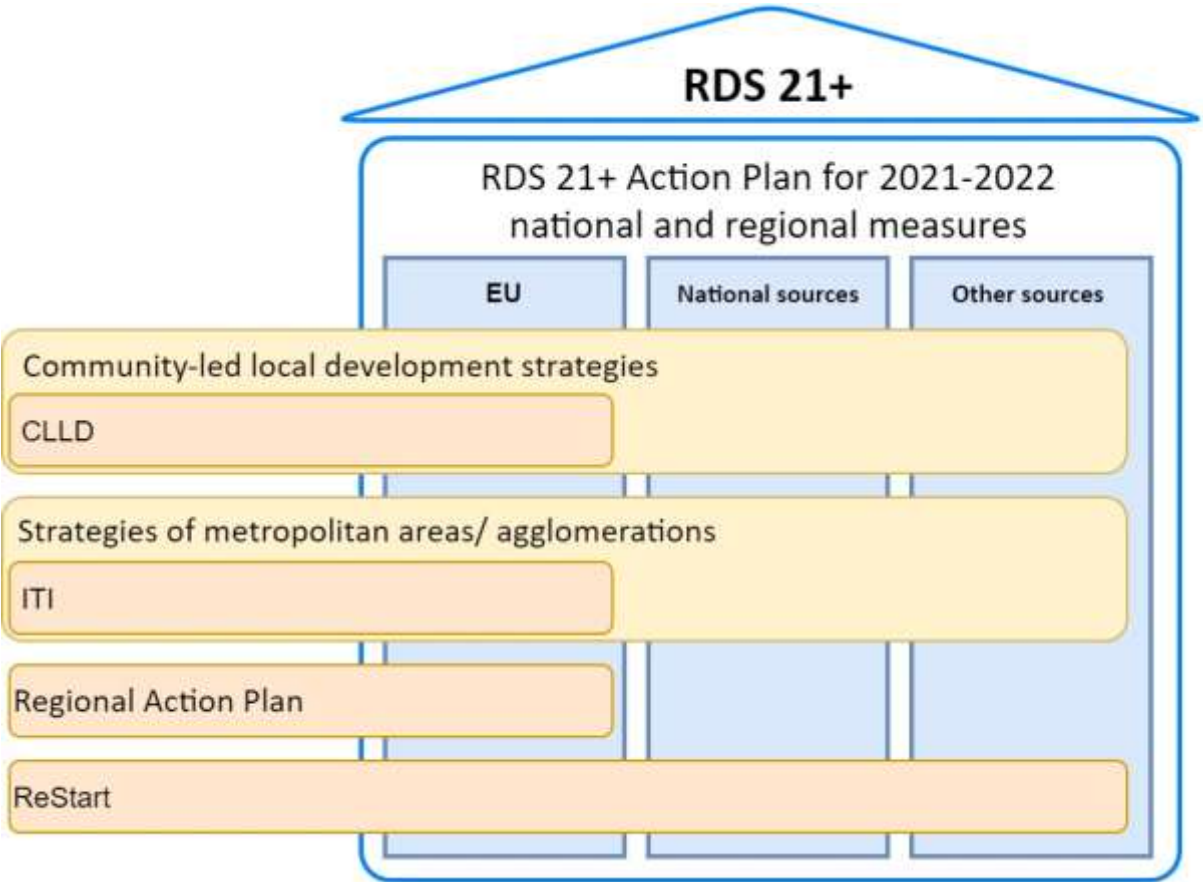
### **3. Partnership approach**

The partnership approach is the basis for creating a quality, respected strategy in each type of territory. The approach is primarily based on the involvement of a wide range of important actors of regional development in its creation and implementation: ministries, Regions, municipalities and territorial and social partners (Association of Regions of the Czech Republic, UTM CR, ALA CR, National Network of LAGs, Czech Bishops' Conference, Rural Regeneration Association of the Czech Republic, Chamber of Commerce etc.).

### **4. Integrated approaches - integrated solutions**

The RDS implementation also includes integrated approaches. They should be used to concentrate the support in the territory addressed, to coordinate the activities and ensure their synergies. A use will be made of existing integrated instruments to implement the RDS.

**Figure 4: Sources of financing for RDS implementation instruments**



Note: The implementation of ITI will also be possible for the city of Mladá Boleslav and its hinterland.

**5. Territorial dimension**

The territorial dimension is a key and cross-cutting principle of the RDS implementation, which will be applied across ministries, or managing authorities of operational programmes.

The basic principle on which the RDS is based is the need to carry out interventions through public policies, so that they **meet the needs of each type of territory**. In the analytical and proposal part of the RDS, the territory of the Czech Republic was divided into five types of territory, with regard to the trends and achieved state of socio-economic development and taking into account their specific development needs.

It is clear that any categorization of territory is simplistic and not all characteristics of the type of territory can be equally related to any municipality that is part of it. However, some degree of generalization is inevitable in national-level documents.

The input methodological notes show that none of the defined categories is purely urban or purely rural. Therefore, the summary below aims to give a brief account of how urban and rural areas are handled in the RDS and how specific types of territorial dimension are dealt with.

## Instruments of anchoring the territorial dimension

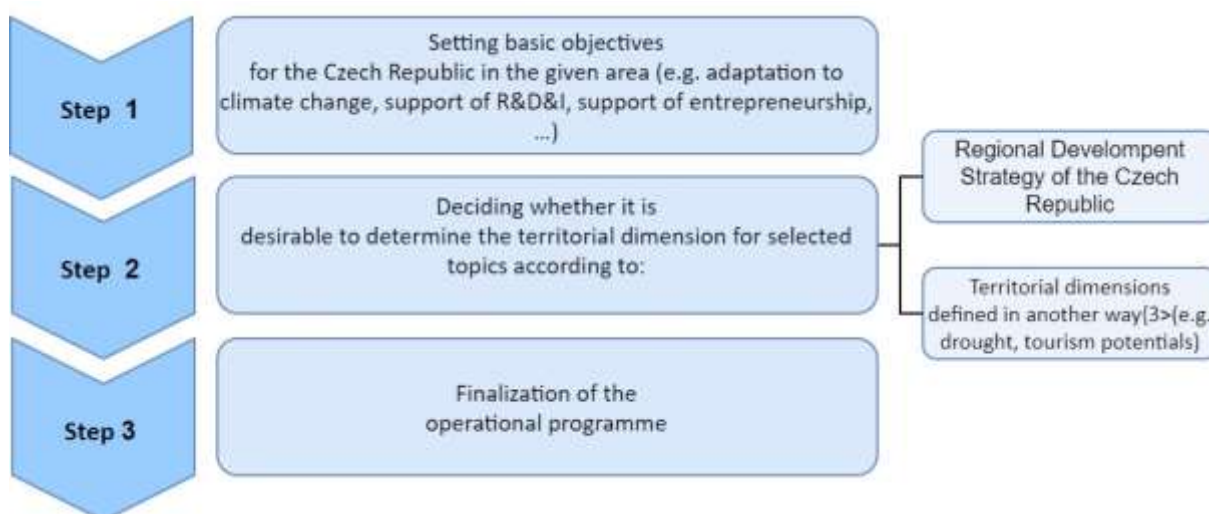
The territorial dimension in the sense of reflecting territorial specificities in the implementation of partial policies will be implemented under national subsidy schemes as well as under the European Structural and Investment Fund programmes. In the 2014–2020 programming period, the National Document on the Territorial Dimension was created, **in the period 2021–2027, the principles of the territorial dimension should be enshrined in a similar document**. The process of incorporating the territorial dimension into the individual operational programmes (as well as policies or strategies) is outlined in Figure 5.

MoRD hereby does not dispute the responsibility of individual ministries and institutions for the topics entrusted to them by the Competence Act and specific regulations (e.g. Act No 130/2002 Coll., on support for research, experimental development and innovation, as amended). **In step 1**, it is entirely up to the relevant ministry and/or institution to define national priorities for basic objectives such as science and research (MEYS, Government Council for Research and Innovation, and MIT), climate change adaptation (MoE) or education policy (MEYS).

At the same time, however, MoRD as the coordinator of regional policy requires **step 2** which will identify whether it is desirable to apply the territorial dimension in a given topic (i.e. to consider a specific situation in different types of territory). The decision whether or not to apply the territorial dimension should be made on the basis of the information provided in RDS, or according to other relevant documents (air pollution maps, spatial distribution of the unemployment rate).

Only after this territorial consideration (**in step 3**) should the operational programme (or, in general, strategy/policy) be finalized.

**Figure 5: The process of anchoring the territorial dimension in strategies/ policies/ operational programmes**





## Urban dimension

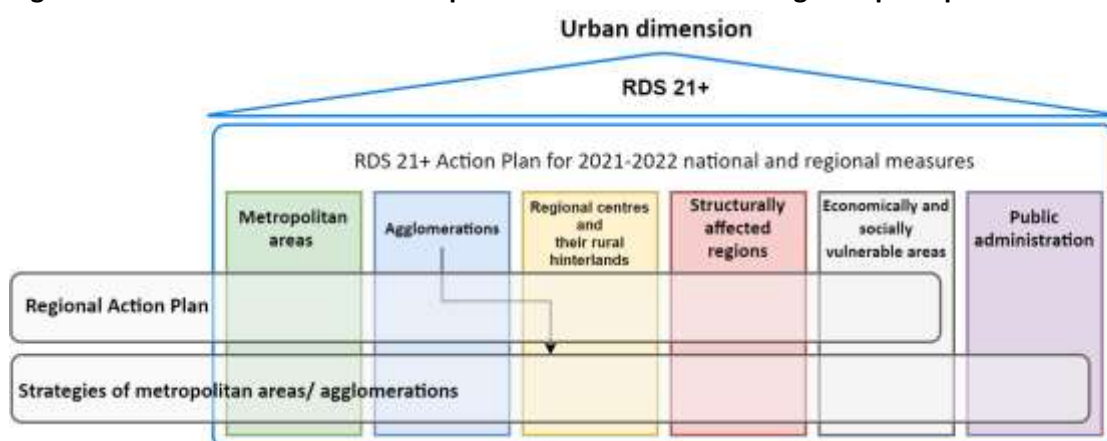
In the context of RDS, urban space is conceived across all RDS types of territory - i.e. metropolitan areas, agglomerations, regional centres (always with their hinterlands), economically and socially vulnerable areas and structurally affected Regions. These territories were categorized so as to reflect the different starting conditions, problems and potentials of these types of territory.

The basic principles of urban development are described in the Urban Policy Principles which were updated in 2017. A working group under the Government Council for Sustainable Development is set up for the Smart Cities area.

### **The urban policy principles define the following main objectives/principles:**

- Strategic and integrated approach to urban development. Polycentric development of the settlement system
- Promotion of the development of towns as development poles in a territory
- Care for the urban environment
- Ensuring the implementation of the New Urban Agenda<sup>68</sup>

**Figure 6: The urban dimension of implementation of the urban agenda principles**



Note: The implementation of ITI will also be possible for the city of Mladá Boleslav and its hinterland.

## Rural dimension

In the context of RDS, rural space is not conceived as a homogeneous space but as a diverse territory with its specific problems and needs, from rural areas near metropolitan areas and agglomerations (i.e. suburban countryside) through stabilized countryside to rural areas with increased economic and social problems.

The rural heterogeneity outlined above and the objectives of the development of rural space are defined in more detail by the forthcoming Rural Development Concept (RDC). It sets out the following strategic objectives for rural development:

<sup>68</sup>For more information see: <http://habitat3.org/wp-content/uploads/NUA-Czech.pdf>

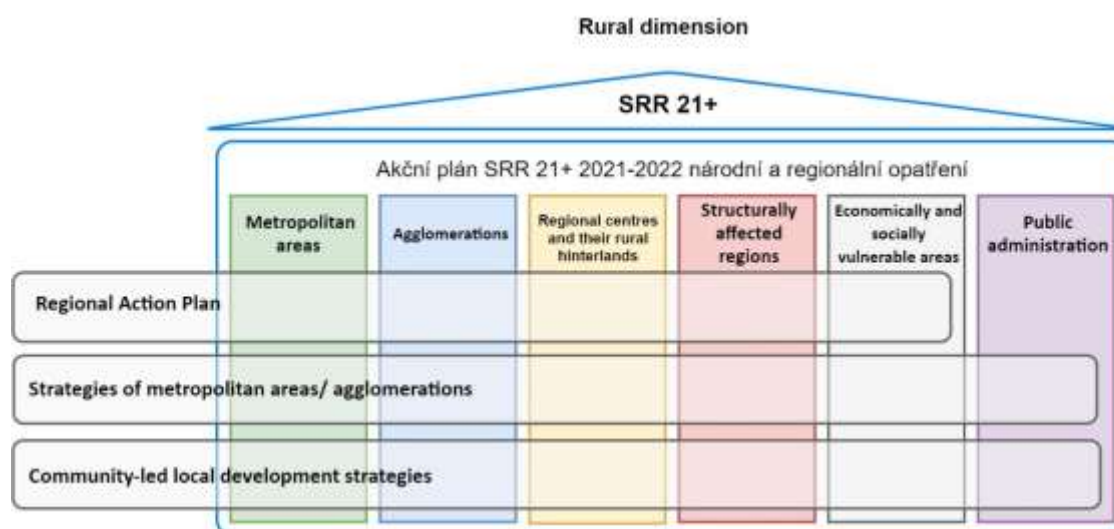
- People: A stable population of rural areas characterized by high human and social capital, ensuring dynamic endogenous rural development,
- Settlements: Sufficient infrastructure and facilities in rural settlements ensuring the quality of life of the population and creating opportunities for economic development,
- Environment: Healthy, recreationally attractive, biologically diverse and climatically stable rural environment,
- Economy: A well-performing, stable and diversified rural economy enabling self-realization of the rural population and forming an important component of the State's economic base,
- Planning and cooperation: Developed multi-level strategic planning and development management based on knowledge, and successful cooperation of municipalities.

The RDC details the territorial dimension of support for regional development in relation to rural areas, i.e. it defines what development objectives need to be pursued in rural areas, also taking into account the diversity of rural areas (the RDC establishes a typology of rural areas). The RDC also defines specific activities intended to serve the set development objectives, including their territorial dimension, based on the relevant typology. The RDC activities contributing to the RDS type measures will be implemented through the RDS action plans.

A working group under the Government Council for Sustainable Development has been set up for rural development issues. This working group discusses a wider range of topics than the Rural Working Group established for the purpose of creating and implementing the RDS / RDS AP.

The rural dimension is taken into account in all strategic objectives of the RDS (Metropolitan areas, Agglomerations, Regional centres and their rural hinterlands, Structurally affected regions, Economically and socially vulnerable areas) and will be implemented e.g. through integrated instruments (CLLD, partly ITI), the programme Support for the Development of Regions 19+, and other European, national, regional or local resources and instruments. It can be stated that most of the existing development instruments contribute at some degree (also) to rural development.

**Figure 7: Rural dimension**



Note: The implementation of ITI will also be possible for the city of Mladá Boleslav and its hinterland.

### Specific types of territorial dimension

It is obvious that far from all regional development themes can be effectively addressed in a breakdown to the five types of territory established in RDS. An example may be the environment where, for example, the issue of drought, erosion or air pollution has an entirely different territorial dimension. The determination of specific territorial dimensions will always be consulted with working groups or with partners at national level (e.g. MEYS in the field of education, or in setting the local and regional action plans for education) and at regional level.

#### **6. Synergies**

The objectives set in the RDS are in line with the objectives of ministerial strategies and elaborate on the objectives set in the Czech Republic 2030, the umbrella national strategy document. Sectoral strategies continue to be pivotal for addressing individual themes and are irreplaceable in that they address the topics comprehensively and in context.

The ambition of RDS is to enter the individual themes when their territorial dimension is being set, but the breakdown to the five RDS types of territory is not always suitable (for example, in the environmental field).

In such cases, it is therefore necessary to discuss the territorial dimension on the basis of current data in the preparation of the RDS action plans. When preparing action plans, or the individual measures and activities, a maximum use will be made of the currently valid strategic documents and outputs of working groups, which are already created for the purposes of other (specialized) strategic documents (e.g. update of the State Environmental Policy, State Nature and Landscape Protection Programme, Policy of Climate Protection in the Czech Republic or the cross-sectoral Strategy on Adaptation to Climate Change in the Czech Republic and its National Action Plan for Climate Change Adaptation).

The Development Strategies of Regions are expected to transpose the RDS and briefly indicate how they work with the RDS objectives.

#### **7. Measurability**

The objectives, measures and activities of the RDS and its action plans are measurable, either through secondary statistical data or original surveys. For this purpose, a set of indicators will be established (for details see Chapter 4.6).

#### **8. Financial principles**

The RDS action plans are expected to clearly allocate financial resources to the implementation of the activities - national subsidy schemes, subsidies from EU funds, or other sources (including operational expenditure of the State and of self-governments). Ways will also be sought to find alternative financing channels - e.g. a financial instrument to support a specific type of territory (e.g. the economically and socially vulnerable areas). The issue is discussed in more detail in Chapter 4.9.

#### **9. Risk management**

There are a number of risks associated with the implementation of RDS - especially organizational and financial. The established working groups will look for partial measures aimed at limiting the occurrence of defined risks (for details see Chapter 4.5).

#### **10. Awareness-raising and information**

Information provided regularly to all actors involved in the process of RDS implementation (for details see Chapter 4.8).

## 4.2 Structure of the RDS action plans

The RDS implementing documents are the RDS action plans (RDS APs). The preparation of the RDS APs is the responsibility of the MoRD and proceeds on the basis of the above-mentioned principles, including the partnership principle, where members of established working groups get involved in it. Members of regional standing conferences (RSCs) have the opportunity to enter the preparation of the RDS APs through suggestions made at the RCS meetings.

**The RDS APs** cover five out of the six strategic objectives (metropolitan areas, agglomerations, regional centres and their rural hinterlands, economically and socially vulnerable areas, public administration in regional development). For the territories of structurally affected Regions, **comprehensive action plans of the Restructuring Strategy** are being prepared, covering the same period as the RDS APs and to be submitted to the Government at a similar date.

**RDS APs** will be drawn up for **two years** (2021-2022, 2023-2024, etc.). The RDS APs will be divided into measures and activities under the strategic and specific objectives. The measures will be based on the type measures set out in RDS and may be supplemented by additional measures if agreed in the working groups that discuss the draft action plans. The measures will be further divided into activities. In terms of type, there will be subsidised and non-subsidised, i.e. methodological and other instruments. The measures will define the desired target state.

Activity proposals include the following information:

- Activity name
- Description of the activity and its justification
- Indicators
- Territorial dimension beyond the SO
- Link to other activities
- Main holder
- Other holders
- Main implementers
- Financing - tasks

In the first step, the activities will be defined by the MoRD Executive Team and subsequently verified and further elaborated by working teams in which the individual ministries concerned will be represented.

All measures entering the RDS APs will be discussed (in person or in writing) with actors not only at the national level (mainly ministries), but also with actors at local and regional level, through established territorial working groups. Territorial partners can actively influence the setting of national measures and activities of the RDS APs through the territorial working groups.

At RSC meetings, RSC members may submit proposals for “region-specific” measures that could be included in the RDS APs. Such measures are designed by actors in the Region (by Region, municipalities, local action groups, associations of territorial partners, the Chamber of Commerce, the Agency for Social Inclusion, Czech Bishops' Conference, holders of integrated instruments and others) and can be designed within sub-working groups set up under the RSCs.

Working proposals of activities are then sent for informal comments to territorial and thematic working groups. The commenting takes place through electronic communication. Thematic working groups meet physically only when necessary (based on a decision of the RDS Manager, see the Implementation Management Structure chapter). When formulating partial measures and activities, the specificities of sites with a NATURA 2000 protected subject matter will always be taken into account.

The measures and activities will indicate desirable steps from the position of national actors (ministries, State organizational units, umbrella organizations of territorial partners) and lower territorial units (Regions, municipalities, holders of integrated strategies, associations of municipalities, etc.).

#### **Link of RDS APs to the Rural Development Concept, integrated instruments (ITI and CLLD)**

- The Rural Development Concept defines activities (including their territorial dimension) for the RDS action plans, which need to be implemented to achieve rural development. The RDC defines a broader set of development activities, but the relevant RDS AP includes only selected activities that need to be implemented from the rural development perspective in the period of validity of the relevant RDS action plan and which by their nature contribute to the implementation of RDS type measures.
- The RDS (or RDS AP) provides guidance for the material content of the integrated instruments.
- Managing authorities create conditions for applying integrated instruments and for applying the territorial dimension within their operational programmes.

### 4.3 Management and organizational structures of the implementation

Figure 8: RDS management and organizational chart

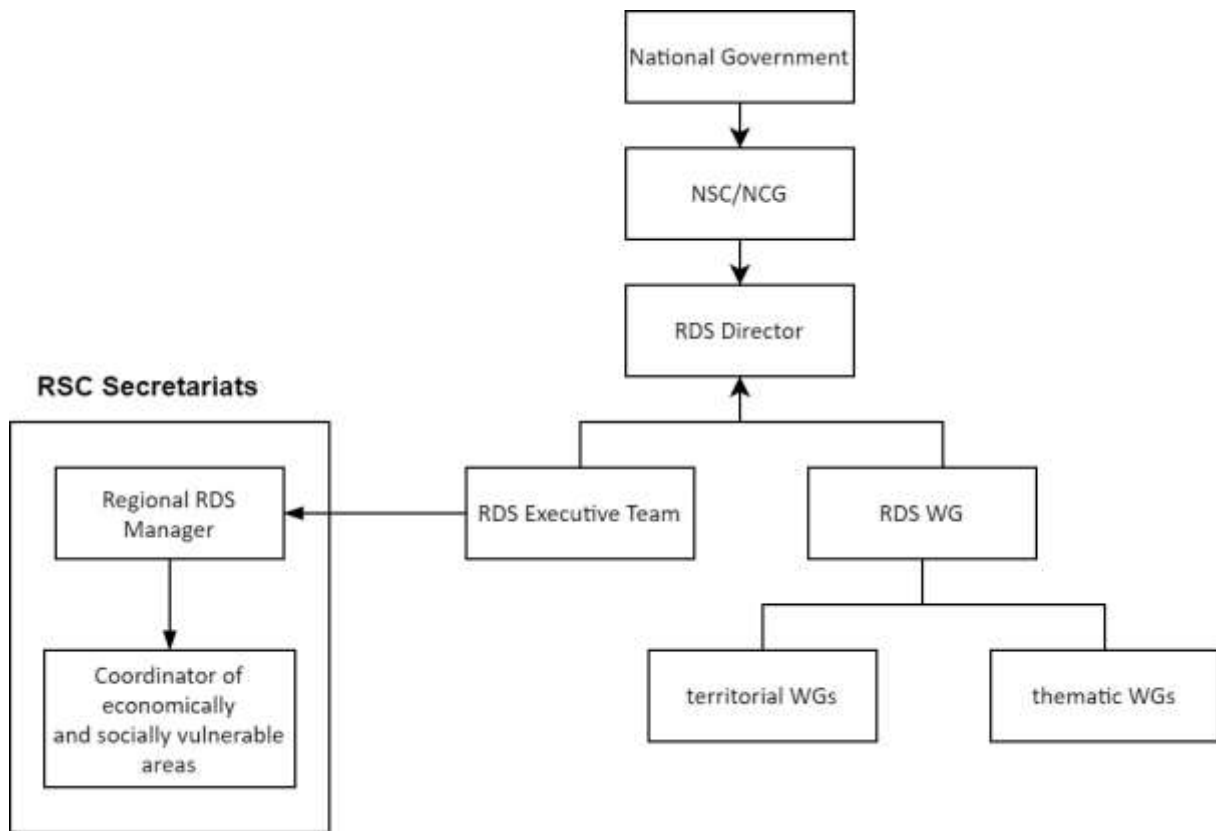
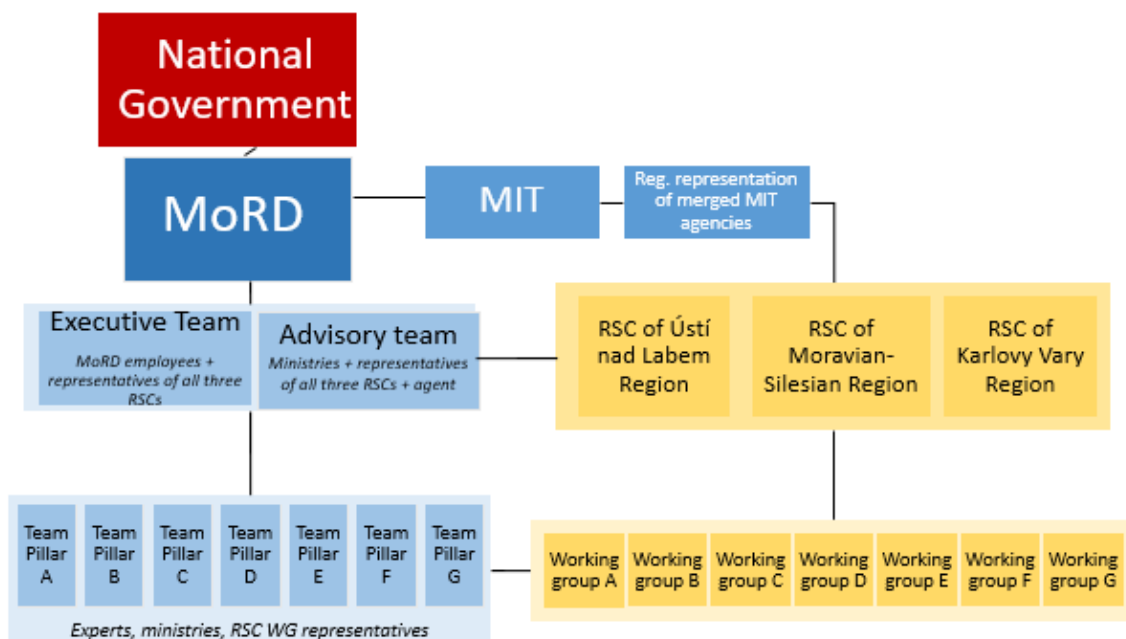


Figure 9: Management and organizational chart of economic restructuring action plans



**Source:** Updated Action Plan of the Strategy for Restructuring of the Ústí nad Labem, Moravian-Silesian and Karlovy Vary Regions 2018-2019

### **CZ Government**

**Position:** supreme body

**Competence:** decision making, responsibility for results

**Role description:** decides, approves and assigns tasks to ministers

The number of working groups for the RDS implementation remains the same as for its preparation. National Coordination Group, WG RDS, territorial WGs (three) and thematic WGs (three). The positions, competencies and roles of all working groups are described below.

### **National Standing Conference, or RDS National Coordination Group (NSC / NCG)**

**Position:** An umbrella platform for the design and implementation of RDS, established by the Minister of Regional Development, statute and rules of procedure

**Competence:** approves and adopts resolutions in the form of recommendations, opinions

**Role description:** a coordinating and methodological role in the design and implementation of RDS, contributes to mutual consistency and to coordination of the State and regions in implementing the territorial dimension and the Partnership Agreement and programmes co-financed from EU funds. Discusses the RDS APs, oversees the RDS implementation. For that purpose it is necessary to update the statute of the NSC and its roles.

### **RDS WG**

**Position:** It consists of representatives of territorial partners, ministries, the Czech Statistical Office and other State organizations

**Competence:** It guides the RDS implementation, it gives direction to the outputs of expert WGs.

**Role description:** Proposes RDS APs, monitors progress against the APs and RDS, proposes changes, updates. It discusses documents for meetings of RDS NCG, and establishes sub-working groups / advisory teams for specific purposes.

### **Territorial WGs (regional WG, urban WG, rural WG)**

**Role in RDS implementation:** It discusses the inputs related to the preparation of action plans and to the monitoring of RDS.

**Position:** established under the MoRD, led by a nominated MoRD expert or external expert

**Competence:** expert outputs, recommendations for RDS WG

**Description of role:** comments on proposals of activities, may suggest new ones, etc.

### **Thematic WGs (economic WG, social WG, environmental WG)**

**Role in RDS implementation:** Consulting role in the process of preparing the measures and activities of the action plans. In-person meetings are not expected, rather ad-hoc consultations and informal comments via email communication.

**Position:** established by the MoRD, led by a nominated MoRD expert or external expert

**Competence:** expert outputs, recommendations for RDS WG

**Description of role:** comments on proposals of activities, may suggest new ones, etc.



### **RDS Manager**

**Competence:** responsible for RDS implementation

**Description of role:** cooperates with members of RDS WG and WG for management and implementation and NSC, participates in preparation of materials for RDS WG, NSC, MoRD.

### **Regional RDS Manager**

**Competence:** Responsible for implementing RDS in the Regions.

**Role description:** Participates in the preparation of region-specific measures that arise from demand in the territory. Participates in monitoring the implementation of RDS and its action plans. Continuously communicates with the RDS Executive Team and the actors in the Region.

### **Coordinator of economically and socially vulnerable areas**

**Competence:** Responsible for the implementation of interventions in economically and socially vulnerable areas.

**Role description:** Participates in the preparation of measures and activities of the RDS APs designed for the purposes of economically and socially vulnerable areas. Continuously communicates with the RDS Executive Team and with actors in economically and socially vulnerable areas.

### **RDS Executive Team**

**Position:** Comprised of employees of the MoRD Regional Policy Department, led by the Head of the MoRD Unit of Regional Development Strategy Management.

**Competence:** Coordinates the preparation of action plans, communicates with members of working groups.

**Role description:** Continuously coordinates the design and progress of the work, including the preparation of materials for meetings with partners, prepares documents for WG meetings, expert outputs, aggregate outputs, acts as the RDS Secretariat.

Within the Executive Team, subject matter supervisors will be defined (e.g. for the economic, social and environmental pillars) to coordinate the working sub-teams set up to elaborate the measures and activities. The working teams will be composed of representatives of the relevant ministries or organizations established by them.

### **The role of ministries in the implementation of RDS/ RDS APs**

The ministries are members of the National Coordination Group (one of the roles of the National Standing Conference), the RDS working groups, thematic working groups and ad-hoc working teams designated to elaborate the partial measures and activities of RDS APs. It is recommended that members of the National Coordination Group come from among deputy ministers, members of RDS working group from among department directors, and members of thematic working groups and working teams from among heads of units or staff/experts on the given topic.

The representative of a ministry in the RDS WG is considered to be the coordinator of RDS implementation on the part of the given ministry. The ministerial coordinator of RDS is responsible for

internal communication concerning RDS within the ministry, or RDS implementation within the ministry, and participates in the discussion of supporting documents, monitoring and updating of the RDS / RDS APs.

The individual ministries are expected to take account of territorial dimension in their operational programmes/ strategies/ policies, as shown in Figure 2, and subsequently project it into instruments (e.g. subsidies) through which the respective ministries implement their objectives.

### **Territorial and social partners**

**Position:** Member of the RDS WG, member of thematic and territorial working groups

**Competence:** Ensures that documents are discussed within the territorial/social partner structure; is included in the territorial partner's organizational structure

**Role description:** Discusses documents, elaborates the RDS implementation in the circumstances of the territorial partner, participates in RDS monitoring and updating.

### **Regional Standing Conferences**

**Position:** Established on the partnership principle with territorial competence in the respective Regions of the Czech Republic

**Competence:** Approve and adopt resolutions in the form of recommendations and opinions of RSC

**Role description**<sup>69</sup>: The RSC Secretariats, ensuring the RSC activities, coordinate activities within their territory, prepare the RAP and annually submit a Report on the Evaluation of the RAP Implementation. The Regional Standing Conference, as a body of regional partners, approves the above documents. The RSC establishes working groups for key thematic areas of the region. The RSCs, in cooperation with the regional development departments of the respective Regions, will actively participate in commenting on the outputs during the entire design and implementation of RDS CR.

The RSC has a Secretariat that fulfils the following tasks in relation to RDS implementation:

- (a) coordination of the RDS/ RDS AP implementation by the Region;
- (b) informing about the objectives/ measures/ activities of the RDS/ RDS AP at the Regional/RSC level;
- (c) cooperation in monitoring/evaluation of the RDS/ RDS AP.

Regional Action Plans (RAPs) are documents that are developed and approved by the RSC. In the period 2021–2027, the RAPs will be used exclusively for the implementation of selected themes under the European funds. RAP is not an instrument of Regional self-government, but an instrument of the entire administrative district of the Region.

RAPs may also cover topics that are not covered in the RDS (as they do not have a territorial dimension). On the other hand, the RAPs will implement RDS through their interventions in selected themes. For this purpose, the MoRD will determine the share of the reserved allocation that will be

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<sup>69</sup> The instruments implementing the OECD recommendations on effective public investment across levels of government: OECD (2014): Recommendation of the Council on OECD Legal Instruments Effective Public Investment Across Levels of Government.

required to implement the RDS objectives in a given theme, as well as its relative distribution among the RDS types of territory.

Projects entering the RAP should come from the project database, which will also be used by the National Investment Plan (NIP). MoRD will provide a single information system for collecting absorption capacity, to which the RSCs will be able to connect through a regional module and use its functions and outputs. The range of themes addressed in RAPs should not overlap with the integrated instruments ITI and CLLD, with a few exceptions. Where the themes do overlap, one project must not be submitted under more than one instrument (to avoid double financing of one project from more integrated instruments).

All the instruments described above (ITI, CLLD, RAP) are equally important, none is superior to the others.

### **Regional self-governments**

**Competence:** They fulfil tasks ensuing from the Act on Regional Development Support (i.e. regional policy within the independent competence of the Region) and Act No 129/2000 Coll., on Regions, as amended. Representatives of the Region participate in the management of the RDS / RDS AP through their membership in the Regional WG.

**Role description:** It provides information for the RDS Evaluation Report on how the Development Strategy of the Region implements the objectives/ measures/ activities of the RDS and RDS AP. The information will be provided in the form of a brief text / converter. For the purposes of national support, the definition of economically and socially vulnerable areas according to the proposal part of the RDS will be applied, Regions can define that type of territory in another way and in a greater territorial detail - e.g. down to the level of the administrative districts of authorised municipal authorities or municipalities. However, their definition will not apply to RDS interventions.

### **Municipal self-governments**

**Competence:** Representatives of municipalities (or umbrella organizations of municipalities) are members of the RDS WG, territorial and thematic WGs and regional standing conferences.

**Role description:** They are the actual implementers of several measures and activities (see the proposal part of the RDS). Territories falling within metropolitan areas and agglomerations develop metropolitan area / agglomeration strategies and use the integrated instrument ITI. Municipalities are also involved in LAG strategies.

## **4.4 Change management plan**

The method of updating the RDS is defined by the Act on Regional Development Support, which stipulates that in the middle of the programming period of the European Union, a Report on the Application of the RDS is to be drawn up, containing proposals for RDS updates and their justification, or a suggestion of and justification for drawing up a new RDS.

Beyond this standard verification of the need for an RDS update, extraordinary updates may be made if required by the Government. The proposal for an update may also be based on a resolution of the National Standing Conference.

The RDS Action Plan may modify the definition of economically and socially vulnerable areas in the RDS, provided that there are significant changes in the evaluation of the set indicators<sup>70</sup>. However, some stability in the definition of economically and socially vulnerable areas is necessary, inter alia with regard to the setting of the European Structural and Investment Funds.

## **4.5 Risk management plan**

The chapter presents the basic risks associated with the RDS implementation - these are organizational, financial, implementation and legal risks. For each of the identified risks, its probability (P) as well as its potential impact (D) on the successful implementation of the RDS objectives are

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<sup>70</sup>A significant change in the current socio-economic conditions (or the need to modify the definition of economically and socially vulnerable areas) of individual regions may be initiated at working group meetings (see Chapter 4.3).

evaluated on a scale of 1-5 (1 = the least probability/impact, 5 = the greatest). The overall significance (V) is then given by the product of probability and impact. For each of the risks, possible measures are outlined that may reduce the significance of the risk. The risk owner is also indicated. Existing working groups will be used for risk management purposes (see previous chapters).

**Tab. 5: Risk matrix**

Risk number	Risk name	Risk assessment			Measures to reduce the significance of the risk	Risk owner
		P	D	V = P*D		
	<b>Organizational risks</b>					
1	The absence of a strong implementation team for the RDS organizational framework	3	5	15	On the side of the MoRD, a partial measure is the allocation of sufficient personnel capacities for the management of the RDS. On the part of the Regions, a partial measure is the establishment of the position of a regional manager endowed with sufficient powers for the performance of his/her activity.	MoRD, Regions
	<b>Financial risks</b>					
2	Financing of the regional staff of the RDS will not be ensured from the national level (OPTA) incl. regional platforms (RSCs)	3	5	15	Negotiating the continuation of the current OPTA for RSC financing.	MoRD
3	Implementation of measures and activities will not be financially secured	3	5	15	Building positions in relation to the professional public (profiling and activity of leaders-proponents of concrete principles, opinions and attitudes contained in the strategy).  Developing a coordinated communication strategy to communicate the main benefits of RDS  Systematic rallying of support of relevant political entities (members of the Parliament, etc., creating a separate space for addressing or promoting partial issues related to the strategy).	MORD, ministries, Regions
	<b>Implementation risks</b>					

4	Action plans will not be implemented	3	3	9	<p>Incorporation of the strategy into a general binding legal regulation such as a Government regulation. The RDS authority is determined by the Czech Government (which approves RDS and assigns tasks to ministries)</p> <p>Creating links with and using binding tasks in other more authoritative strategies and multinational strategies</p> <p>Including the priorities of the other institutions, bodies and entities in the RDS material. Providing or mediating support to others from the position of the strategy holder</p> <p>Demonstrably added value of joint action within the strategy (expertise of the holder, higher effectiveness due to synergy, joint pressure on other authorities, institutions: e.g. in relation to MoE or MoF processes)</p> <p>Integrating qualified representatives (preferably forming opinions or decisions in the field) of other entities into RDS working groups and platforms</p>	MoRD, ministries, Regions
5	The percentage of allocation in the RAP for the implementation of RDS objectives will not be met	3	3	9	Ongoing communication between MoRD, regional managers of RDS and RSCs.	Regions MoRD
6	NSC resolutions will not be implemented	3	3	9	Escalation of discussion to a higher level - ministers, Government.	ministries, MoRD
<b>Legal risks</b>						
7	Late approval of legal regulations and European rules for the implementation of EU funds	2	5	10	Consistent pressure on discussing and approving the rules through the Czech Government in the EC	EUROPEAN COMMISSION Czech Government, ministries

#### 4.6 Monitoring system and evaluation plan

The RDS objectives and the RDS AP measures and activities will be monitored through defined indicators. For each indicator, a card will be defined with the following parameters:

- Indicator definition and description

- Description of factors affecting the value of the indicator (including indicator risks/limits)
- Unit of measurement
- Methodology and calculation
- Optimal direction
- Initial and target value (the initial value will be quantified for the latest available year)
- Data source (e.g. CZSO, MoRD, MIT, Regions, ad hoc survey/research)
- Data collection costs
- Evaluation frequency
- Indicator type: output, result, impact, context
- Territorial unit of monitoring (e.g. municipality, MEP, Region, Czech Republic)
- Proposal and demonstration of how the indicators are to be interpreted (databases, tables, maps, charts, SW applications) and the use of the indicators for higher-level evaluations (evaluation of RDS implementation, evaluation of socio-economic phenomena development in regions, background for dialogue with representations of regions - RSCs, support for the performance of public administration).

RDS contains key indicators that measure the global objective (see Annex 3). During the RDS implementation (or preparation of action plans), a debate will be held on the choice of indicators for monitoring the strategic and specific objectives and measures.

Indicators that will monitor the progress of the APs will be subject to selection taking into account the following criteria:

- What is the cost of data collection and monitoring in time series (e.g. areal/sample surveys, questionnaire surveys)?
- What is the cost of data collection and the costs associated with data collection from providers and guarantors who are not obliged or able to monitor data in the proposed structure and time?
- What is the methodological difficulty of monitoring the indicator, especially if the collection is carried out by more than one guarantor (e.g. LAGs), so that the resulting indicator is representative and a uniform methodology for time series is ensured? What is the risk that the data will not be valid?
- What are the tools or possibilities of involvement of data providers/ administrators (e.g. municipalities, MEPs) who are not obliged to provide the proposed indicators/ data to the guarantor?
- What are the tools or possibilities of involvement of data providers/ administrators who are not obliged to monitor the indicators in the proposed structure (e.g. municipalities, MEPs, Regions)?
- By what tools will the proposed guarantor (e.g. LAG) ensure representativeness, uniform methodological approach and areal data collection in the territory, which does not always correspond to the territorial competence of the given institution/guarantor? Will the data collection be enforceable?
- What will be the financial cost of data collection how will it be paid to the providers and guarantors who will collect data in the territory?
- How effective (financially, methodically, organizationally) is it to monitor the proposed indicator in relation to the relevance of the information obtained?

### **Principles of indicator selection**

### 1. Organizational guarantees

Each indicator must have its guarantor, i.e. a State institution (ministry, professional institution), self-government (municipality, MEP, city hall, Region), association of municipalities (voluntary association of municipalities), territorial partnership (LAG) and in exceptional cases a commercial entity. Part of the indicator is designed methodologically on the basis of a local survey, facilitated discussion, questionnaire survey. The backbone of the RDS monitoring must be constituted by State and self-governing institutions in order to save the cost of monitoring when collecting primary data. It is therefore ideal to use publicly available data.

### 2. Data validation and quality

The data guarantor/provider must declare correctness of the data. When monitoring the relevant development process, it is necessary to demonstrate the method of primary data validation (internal regulation, analytical method, checks in the evaluation of questionnaires, etc.). The aim is to obtain quality data that will provide an adequate picture of the state and development of the process. The subsequent check can also be carried out by the guarantor of the whole RDS monitoring or by an organization entrusted with RDS evaluation.

### 3. Accessibility, data sharing conditions, long-term guarantee and cost of monitoring

The accessibility and long-term guarantee of data is the basic prerequisite for the operation of monitoring. It is a prerequisite for maintaining time series, regular data delivery according to the date of update and for data quality. This is usually guaranteed by the responsibility of the State organization stipulated by law or in its foundation charter. The proposal of the RDS monitoring, also on the basis of own experience, prefers public data sources, or State institutions. The form of primary data storage is usually already standardized in such organizations, there are pre-established mechanisms for checking the data and methodologies for their collection or analysis. The indicator card will set out context indicators with a direct link to the selected objective/measure indicator. This gives a valuable basis to the evaluator for assessing the broader context of the intervention.

### **Forms of obtaining primary data**

There are 4 forms of primary data for indicators:

- o Monitoring by State institutions
- o Questionnaire survey
- o Local surveys and facilitated discussions
- o Targeted data collection

#### 1. Monitoring by State institutions

This is part of standard operations performed by such organizations that are responsible for them by law. The advantage is that the organizations have long-term knowledge of the monitored process in the territory or in society. The organization usually collects the data for several reasons and is also very familiar with the sources of errors that may occur in the data collection, with the related circumstances, or alternatives for substitute data collection.



## 2. Questionnaire surveys

The most important thing for this type of data collection is the correct compilation of suitable questions which do not demand a lot of time and thinking from the respondent. It is appropriate to prepare questionnaires in a simple web form. Ensuring the circumstances for a maximum response rate is essential. In this sense, municipalities will be the most important spatial partners for the RDS. Some data for the RDS will be provided by schools (secondary and tertiary) and the Czech Academy of Sciences.

## 3. Local surveys and facilitated discussions

Local surveys should be directed at organizations with experience in collecting data and collecting indicators. Facilitated discussions sometimes provide very valuable information for evaluation.

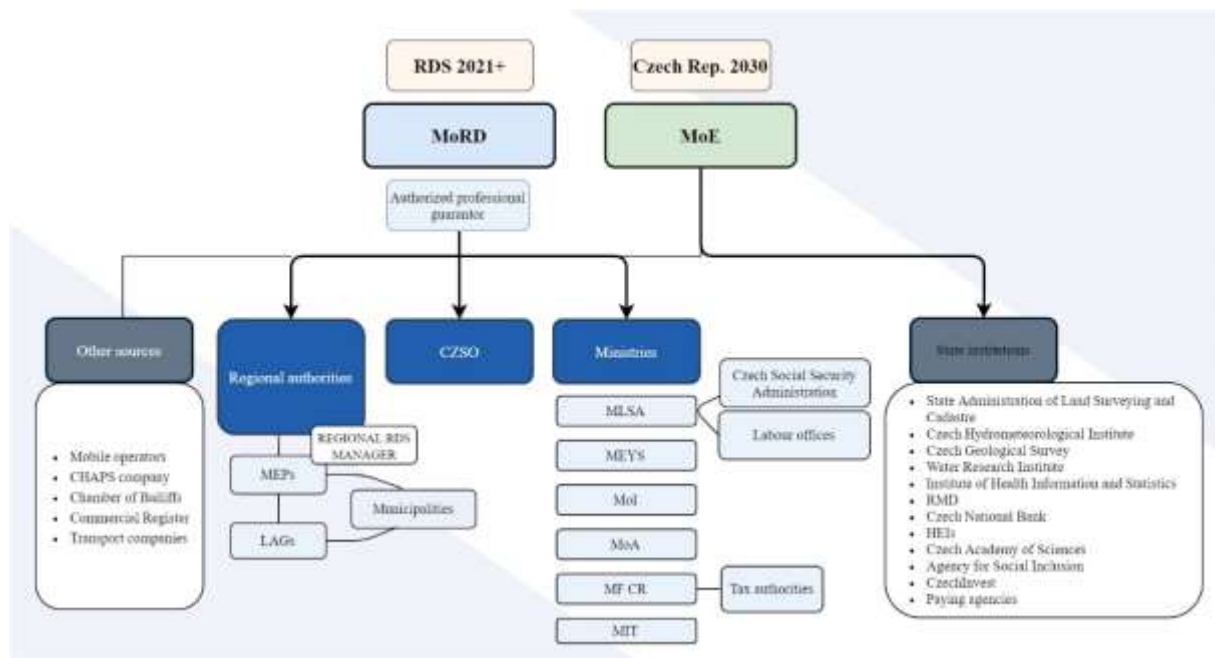
## 4. Targeted data collection

In the case of RDS, the data collection will concern community life, NGO activities, etc. The data collection will be preceded by a research of data sources, evaluation of the local context, etc. Here, the data collection is directed at LAGs as experts on the local situation.

### **Frequency of monitoring**

A monitoring report should be prepared annually. The monitoring report is produced by the MoRD-Regional Policy Dept. in cooperation with regional managers of the RDS.

**Figure 10 Data collection system for the purposes of RDS monitoring**



Evaluations should also identify feedback from the actors (RDS users) at all levels of implementation (ministries, Regions, municipalities and other territorial and social partners) and, if necessary, help to adjust the way the RDS is implemented.

Evaluations related to RDS implementation can be divided into three categories - (1) evaluations stipulated by legislation, (2) evaluations proposed in the Partnership Agreement Evaluation Plan, and (3) partial evaluations intended to evaluate the achievement of partial objectives and type measures.

Ad (1) The Act on Regional Development Support stipulates that a report on the implementation of the Regional Development Strategy (hereinafter referred to as the “Report”) must be drawn up in the middle of the programming period of the European Union - for the RDS it will be in June 2024. Although the Report does not have to be an evaluation according to the Act, it is advisable to include in it the standard elements of an evaluation (quantitative evaluation supplemented by a qualitative evaluation according to set evaluation questions).

Ad (2) In the 2014–2020 programming period, the evaluation plan of the Partnership Agreement also defines an evaluation focused on the process of evaluating the implementation of the territorial dimension. In the 2021–2027 programming period, a similar evaluation is envisaged, which should also evaluate the manner of involvement of territorial partners in the preparation of the RDS Action Plans.

Ad (3) When evaluating the RDS implementation, it is assumed that partial evaluations will be carried out, in particular to evaluate strategic objective 6, which is basically the only tool for evaluating the achievement of the objectives defined herein.

#### 4.7 Communication Plan

**Tab. 7: Overview of communication tools and target groups**

Communication tools	Description	Target group
English version of the RDS	English translation of the RDS.	Foreigners interested
Press release	The press release is a classic way of transmitting up-to-date information to the media without the personal participation of journalists.	Media, Czech Republic citizens 15+
Leaflet	A printed tool containing brief information on RDS.	The public, municipalities, Regions, ministries
Leaflet - English version	English version of the printed instrument containing brief information on RDS.	Foreigners interested
Brochure	Multi-page text introducing RDS to the professional public.	Municipalities, Regions, ministries
Articles	Articles on the design and evaluation of RDS (e.g in the periodicals Public Administration, Territorial Development, Municipality and Finance, Modern Municipality).	Professional public
Web portal	Accessible information on the strategy and monitoring.	General public
Social networks	Social networks (e.g. Facebook, Twitter) can be used both for communication to the general public and to the professional public.	General public

Conference	Conferences are a tool for meetings with the professional public.	Territorial partners, ministries, Regions
Seminars and workshops	Smaller information events for participants.	Municipalities, Regions, ministries, members of the Parliament
Spot	Media promotion of the RDS.	Media, Czech Republic citizens 15+

#### **4.8 Sources of funding:**

The sources of funding associated with the RDS implementation can be divided into two categories - (a) potential sources for the implementation of RDS objectives and (b) sources of funding for the implementation structure (at national and Regional level).

##### **Sources for the implementation of the RDS objectives**

It can be assumed that the most important financial source for the implementation of the RDS (or RDS APs) will be EU funds. Within EU funds, RDS should be implemented through the following instruments:

- Integrating the territorial dimension into operational programmes (see above)
- Separate calls of the managing authorities for a specific type of territory
- Bonuses for projects in a certain type of territory
- Earmarking an allocation for implementing ITI and CLLD
- Proportions set in RAPs for the types of territory

The following instruments are foreseen in national subsidy schemes:

- A separate call for a specific type of territory
- Bonuses for projects
- Higher co-financing rates for specific types of territory

The following instruments can be used in Regional subsidy schemes:

- Co-financing of projects by the State in Regional calls
- Joint calls of a Region and the State

The co-financing from all the financial sources outlined above is expected to involve own resources of applicants/beneficiaries.

##### **Sources of financing of the implementation structure**

The MoRD Executive Team is expected to be financed from the State budget. The financing of the RSC secretariats is expected from European sources (OP TA), including the newly established position of

the RDS Regional Manager and the position of coordinator for economically and socially vulnerable areas.

### **Linkage to public investment**

The issue of regional development financing is closely related to the topic of public investments in regions. High-quality management of public investment will optimize public administration performance. The public investment management will be based on an analysis of macroeconomic determinants of an effective public investment model. A project selection methodology will be developed to ensure synergies between national (ministerial) and regional investments. The analytical findings and methodologies will then be presented to the professional public through conferences and workshops.

A National Investment Plan will be developed as a tool of investment policy management, drawing on a sophisticated system of data collection and analysis. The regions will be supported in strategic investment.

### **4.9 Implementation timeframe**

The main instrument for implementing the RDS are action plans. The action plans will be drawn up on a two-year basis - the first action plan will cover the period 2021-2022. The preparation of action plans can be divided into five sub-steps (Table 8). The schedule of the action plan preparation is set so that the approved measures and activities can be incorporated into the preparation of the State budget for next year, or into the budgetary outlook.

**Tab. 8: Timetable for the RDS action plan preparation**

<b>Step</b>	<b>Step description</b>	<b>Time frame (for AP 2021-2022)</b>
1	Proposing the description of activities - VERSION 1 (without the source of financing)	February 2019 - October 2019
2	Discussion of VERSION 1 in (a) territorial and thematic WGs, (b) at RSC meetings Subsequent settlement of comments and creation of VERSION 2 (already with a source of funding)	November 2019 - January 2020
3	Discussing VERSION 2 - comments - creating VERSION 3	February 2020 - March 2020
4	Discussing VERSION 3 by NSC - submission to formal comment procedure (NSC)	April - May 2020
5	Settlement of comments and submission to the Government	June 2020

#### **4.10 Recommendations for the RDS Action Plans in terms of environmental and public health impacts**

- Respect the protected subject matter of specially protected areas and avert anthropogenic pressure on their territory. Assess specific projects in terms of their impact on nature and landscape. Consult any activities/projects that could be expected to have negative (including mediated) impacts on specially protected areas (SPAs) and Natura 2000 sites with nature conservation authorities.
- When selecting projects for support, prefer projects with the highest positive benefits and minimum negative environmental impacts.
- Assess the environmental impacts of relevant specific projects within the EIA process, or biological assessment or Natura assessment.
- Target the support of tourism mainly outside protected areas with the aim to dilute the visitor intensity and reduce it, especially in valuable localities. Conduct regular visitor surveys and use them as a basis for tourism management. If tourism is supported in already highly visited natural attractions, ensure protection of natural values in the territory. Consult in time with the nature conservation authorities any interventions where it is not possible to exclude negative interference or effects (even mediated) on SPAs and protected Natura 2000 sites.
- Attend to the protection of agricultural and forest land, minimize land grab, especially in the 1<sup>st</sup> and 2<sup>nd</sup> class of ALF protection, reduce fragmentation of the landscape and preserve the landscape character.
- Position the new transport infrastructure sites in brownfields, take into account requirements related to climate change adaptation (water retention, protection against drought), reduce emissions of air pollutants from transport and noise.
- Promote the use of public transport at the expense of motorised private transport, promote safe cycling and walking. In addition to increasing the competitiveness of public transport, cycling and walking by improving the conditions for their use (comfort, telematics, P+R car parks, etc.), consider restricting motorised private transport by creating low-emission zones, progressive parking prices and the like.
- Place new construction preferentially in brownfields, or use areas with lower soil quality. Position new infrastructure with regard to protected parts of nature and maintain the migration permeability of the territory. Make climate change adaptation measures to be part of construction (shading elements, water retention, use of RES, support for more environmentally friendly forms of transport, etc.).
- Use alternative drives (LPG, CNG, hybrids) to serve remote and hard to reach locations and support the development of electro and hydrogen mobility.
- When building new or regenerating existing buildings, use adaptation elements (green facades, roofs, use of grey water, etc.). As part of the modernization of buildings, prefer energy-saving installations (for example, thermal insulation of buildings and others) and thus reduce the effects on the climate.
- When densifying city centres, ensure sustainable development of the territory in accordance with climate change adaptation.
- In case of remediation of old environmental burdens as part of the use of brownfields, proceed strictly according to the project of remediation works and follow the Czech Environmental Inspectorate instructions.

- Use brownfields for new RES where possible. Place new RES outside SPAs, sites of Community importance (SCIs), bird areas (BAs) and their buffer zones and respect the requirements of nature conservation authorities. Do not locate wind power plants within 10 km outside the boundaries of national parks and discuss with the national park administrations any plans concerning small hydropower plants.
- Maintain or ensure migration permeability for specially protected species and species of European importance (hydraulic structures, wind farms). Before positioning new sources, assess their impact on the landscape character. Consult any activities that could be expected to produce negative (including mediated) interference or effects on SPAs and Natura 2000 sites with nature conservation authorities.
- For the adaptation of transmission and distribution systems, use preferably brownfields or lower quality land and preserve the landscape character. Such adaptation should respect the requirements of nature protection (in particular concerning specially protected areas, the Natura 2000 network, or migration routes). Consult any interventions that could be expected to produce negative (including mediated) interference or effects on SPAs and Natura 2000 sites with nature conservation authorities.
- Prevent waste generation and apply the principles of circular economy. Within the waste management hierarchy, treat the waste in the category of other recovery preferably by composting and anaerobic decomposition where it is possible with respect to environmental and health risks.
- Select near-natural measures to retain water in the landscape and focus on comprehensive landscape solutions.
- Place new reservoirs outside the watercourses in SCIs and protected areas and consult their placement with the nature conservation authorities. Consult any other interventions that could potentially be expected to negatively interfere with or affect (including in a mediated way) SPAs and Natura 2000 sites with the nature conservation authorities and make biological assessments of them and, in the event of possible interference with SCIs and BAs, make also Natura assessments.
- In spatial planning and development of individual territories, pay attention to regional historical and cultural specifics of the economic and construction policies. Draw on the cultural-historical experience of territorial land management (e.g. original historical fishpond landscape, water retention, water-permeable road networks, in-field strips and patches; morphology of the housing construction with regard to the original historical buildings etc.) taking into account the current climatic conditions, also in connection with functional territorial systems of ecological stability.
- Ensure a professional and responsible selection of investments for which conditions will be created, taking into account also their environmental impacts. Do not create conditions for investments with low added value or for investments with potentially significant negative impacts on the environment. Ensure that new construction takes place primarily in brownfields, on low quality soil, and protect the landscape character.
- Plans that imply the construction of a new stationary source of air pollution must always be considered with regard to the current state of air pollution concentrations in the territory. It is equally important to further support measures to reduce emissions from local combustion heaters.
- During the revitalization/ regeneration of the territory it is necessary to ensure that the negative impacts of the works on the environment are eliminated or at least minimized. It is

necessary to take into account the principles of climate change adaptation and adjust the regeneration of the territory to it.

- Where local employment is strengthened through public investment, ensure that public contracts are awarded with social and environmental responsibility.
- In the methodology for coordination of strategic and spatial planning, give priority to current topics - deteriorated air quality, adaptation to climate change, protection of the soil and forest fund, landscape fragmentation, migration permeability.
- Support the development of Local Agenda 21 using good practice of the National Network of Healthy Cities of the Czech Republic - strengthen the quality of the environment and the population's health through promoting education, awareness/promotion and participation and dissemination of good practice, consultation and advice.
- Implement the strategic objectives in the context of the cultural values of the given environment and its specifics in connection with landscape conservation in respect of the implementation of the European Convention for the Protection of the World Cultural and Natural Heritage and the Convention for the Protection of the Architectural Heritage of Europe.
- Pursue the strategic objectives of the development of individual territories with respect to knowledge and identification of cultural-historical values. The identification of individual specifics of cultural-historical values should be part of the specific objectives.
- Respect the conditions of nature protection when organizing cultural events. Organize cultural events in an environmentally friendly way (for example, reduce waste production). Use preferentially brownfields, or possibly less quality soil, for the construction of new cultural and other facilities while taking into account the requirements associated with climate change adaptation, and develop energy savings (such as thermal insulation of buildings and other).
- Develop the environmental awareness of the population, especially in those topics that cannot be addressed without the involvement of the public (air pollution from small sources, reducing the environmental impacts of transport, waste management, adaptation to climate change, nature conservation and other).

## LIST OF ABBREVIATIONS

ASI	Agency for Social Inclusion
B+R	Bike&Ride parking
CLLD	Community-Led Local Development
CO <sub>2</sub>	Carbon dioxide
ČMZRB	Czech-Moravian Guarantee and Development Bank
CZ	Czech Republic
CTO	Czech Telecommunications Office
VAM	Voluntary association of municipalities
EIA	Environmental Impact Assessment
EU	European Union
GACR	Grant Agency of the Czech Republic
GMT	Global megatrend
GDP	Gross Domestic Product
GVA	Gross value added
Fire brigade unit	Fire brigade unit
MPT	Motorised private transport
ITS	Integrated transport system
ITDP	Integrated territorial development plan
ITI	Integrated Territorial Investments
IRS	Integrated Rescue System
CHP	Combined heat and power
LAG	Local Action Group
MT	Ministry of Transport
MF CR	Ministry of Finance
UPT	Urban public transport
MoC	Ministry of Culture
MoRD	Ministry of Regional Development
MoRD-Dept. of Spatial Planning	Department of Spatial Planning in the Ministry of Regional Development
Metropolitan area	Metropolitan area
MIT	Ministry of Industry and Trade



MLSA	Ministry of Labour and Social Affairs
MoJ	Ministry of Justice
SMEs	Small and medium-sized enterprises
Nursery	Nursery school
MEYS	Ministry of Education, Youth and Sports
MoI	Ministry of Interior
MoH	Ministry of Health
MoA	Ministry of Agriculture
MoE	Ministry of the Environment
NAP – SG	National action plan for smart grids
NCI	National Concept of Cohesion Policy Implementation
NGO	Non-governmental non-profit organization
NHI	National Heritage Institute
National Network of LAGs	National Network of Local Action Groups
NUTS	Nomenclature of territorial units for statistics (Nomenclature des Unites Territoriales Statistique)
MEP	Municipality with extended powers
RES	Renewable Energy Sources
P+R	Park&Ride car park
PPP	Public Private Partnership
PPS	Purchasing Power Standard
SUMP	Sustainable urban mobility plan
LIPFF	Land intended to perform forest functions
FDI	Foreign direct investment
RAP	Regional Action Plan
RIS3	National Research and Innovation Strategy for Smart Specialisation of the Czech Republic (National RIS3)
Budgetary allocation of taxes	Budgetary allocation of taxes
RMD	Road and Motorway Directorate of the Czech Republic
Association of volunteer firefighters	Association of volunteer firefighters
SEKM	Contaminated Sites Registration System
SMART CITY	Smart City concept based on the SMART method
SMART CITY LAB	Smart City concept incubator

UTM CR	Union of Towns and Municipalities of the Czech Republic
ALA CR	Association of Local Authorities of the Czech Republic
MEP administrative district	Administrative district of a municipality with extended powers
National Land Authority	National Land Authority
DSR	Development Strategy of the Region
RDS	Regional Development Strategy of the Czech Republic
Secondary school	Secondary school
STEEP on a business	Analysis of external factors (Social, Technology, Economic, Environmental, Political) impacting on a business
SUMP	Sustainable Urban Mobility Plan
SEL	Socially excluded locality
SWOT	Strategic Analysis (Strengths, Weaknesses, Opportunities, Threats)
SŽDC	Railway Infrastructure Administration
TACR	Technology Agency of the Czech Republic
TEN-T	The trans-European transport network (Trans-European Transport Networks)
TSES	Territorial system of ecological stability
R&D	Research and development
R&D&I	Research, Development and Innovation
PT	Public transport
HSL	High-speed line
HEI	Higher education institution
ALF	Agricultural Land Fund
Primary school	Primary school

## **5 ANNEXES**

Annex 1: National and regional dimension of global megatrends

Annex 2: Link between the RDS and the National Concept of Cohesion Policy Implementation after 2020 (NCI)

Annex 3: Indicator cards for the global objective

## Annex 1 - National and regional dimension of global megatrends

GMT	Annotation	Relevance for the Czech Republic	Regionality in the Czech Republic
Civilization diseases	This rising global megatrend (GMT) means an increase in previously unknown diseases caused by various factors of modern civilization. Their increase is due to a change in lifestyle, a change in eating habits, exposure to new chemicals and a generally increasing longevity. The causes of these diseases are in particular the consumption of industrially produced calorie-rich foods, excessive consumption of food, alcohol and cigarettes, excessive and lasting stress and lack of physical exercise. The impact of this GMT will steadily strengthen, and the number of previously unknown diseases can be expected to grow.	Civilization diseases are a serious problem for the Czech Republic as a developed country and its importance is growing.	Despite the initial widespread notion that they occur mainly in urbanized areas, their regional incidence is rather even. This is due to the advanced urbanization of the Czech Republic in terms of the transfer of urban values to the hinterland of towns. However, large cities are also the first to be infiltrated by new trends in a healthy lifestyle that limit the effects of civilization diseases.
Ecosystem degradation	This GMT includes the degradation of ecosystems and the related factors, in particular the loss of biodiversity at all levels and the degradation of ecosystem services. The GMT also contains an overloading of planetary biogeochemical cycles and contamination of ecosystems with toxic or persistent substances and waste. The ecosystem degradation also includes land grabbing at the expense of natural or near-natural ecosystems and the overloading of renewable sources of raw materials and energy (e.g. overfishing).	In the Czech Republic, as a developed country with developed industry, intensive agricultural production and locally with surface mining of minerals, the pressure on ecosystems is generally intensifying. However, knowledge of the impact of human activities on the environment and the technical possibilities to limit the negative impacts are also increasing.	The degradation of ecosystems manifests itself differently in various regions of the Czech Republic. Evident is the increasing pressure on the environment in direct contact with civilization, i.e. it increases with the population size of the settlement. Increasingly intensive agricultural production creates local (livestock) and non-point (crop production) sources of pollution. The degradation of ecosystems is also a consequence of intensification, especially of unified farming on large areas.  Open-cast mining of minerals is still a significant interference with the landscape. When reclaiming land affected by mining, it is necessary to choose an approach taking into account natural and near-natural ecosystems created by natural renaturation of areas affected by mining.
Democratization of society	The democratization of society GMT reflects the long-term development of societies towards democratic forms of government. Globally, there is a growing number of people	The Czech Republic, having been a democratic country for 30 years, does not perceive this GMT as poignant, but it is important to perceive the	In the Czech Republic, democratization of society is not a regional problem.

GMT	Annotation	Relevance for the Czech Republic	Regionality in the Czech Republic
	<p>who have the opportunity to elect their government and representatives. Some regions and their development, especially in the Middle East and in some African countries, are weakening the global democratization tendencies, but in the long term this GMT can be expected to develop positively.</p>	<p>pressures directed towards limiting the democratic principles in the society.</p>	
<p>Global economic growth</p>	<p>Global economic growth, measured as the volume of gross domestic product produced by world economies, has been growing in the long term, despite a slight slowdown in economic growth during the world economic crisis. This growth is linked to a number of other megatrends linked to consumption and social conditions.</p>	<p>The Czech Republic is currently in the growth phase of the economic cycle. It is not excluded that this direction will change during the implementation of RDS and that the Czech Republic will experience a recession phase.</p>	<p>The economic boom and the adverse impact of economic recession manifest themselves differently in the territory. That can be assessed in terms of time (centres that are in an intensive contact with the world are affected first, the other territory later) or in terms of the impact on the territory due to the nature of the boom or crisis (financial, industrial, agricultural, other). In times of economic boom, the disparities between regions decrease, while in times of recession they deepen.</p>
<p>Global aging</p>	<p>As the average life expectancy increases, so does the average age of the world's population, and most regions of the world converge towards an aging society. Divergent areas are one of the sources of global migration flows. The effect of this steady GMT will lead to significant social and economic changes within individual cultures. For example, the societal perception of old age will change. Due to the effects of global aging, it will be necessary to restructure the functions of public, especially pension systems, but also social and healthcare systems.</p>	<p>The Czech Republic is one of the developed countries which are in such an advanced stage of demographic development that they have been affected by the trend of global aging for several decades.</p>	<p>The aging of the population in the Czech Republic manifests itself quite significantly in different territories. Migration, especially from rural to urban areas and their hinterlands, also augments the impact of the natural change of the population. The response to the manifestations of these trends must therefore necessarily be territorially specific.</p>
<p>Increase in the policy of force</p>	<p>Global developments have seen an increase in the use of force and pressure in both international and national politics. This GMT includes not only armed conflicts, but also economic coercive sanctions, raw material blackmail, military threats and domestic conflicts. Localization of conflicts and hybrid warfare between nation states are accompanying phenomena.</p>	<p>Given that the Czech Republic is not a major player in world politics, the less in power politics, the manifestations of this trend are rather indirect, and if there are any, they are usually limited to the virtual environment.</p>	<p>Should there be any manifestations of this GMT, they would probably manifest themselves in settlement centres or localities with concentrated occurrence of electronic network components.</p>

Increasing importance of non-governmental actors	NGOs, multinational corporations and international organizations are gaining greater influence on governance at local, national and international levels. This GMT is of a lasting nature and is related to the increasing openness of society, increasing globalization, growing global economic growth and increasing access to information.	As the Czech Republic is involved in the international division of labour and follows global social trends, the non-governmental actors are increasingly influencing the developments in the Czech Republic. In addition to the major players in the global economy, non-governmental organisations in various fields are on the rise.	Global players have localized their activities in the most important centres or historically given locations with specific production traditions, and have responded to investment incentives in selected locations. An important trend is community development which has been strengthening mainly in rural areas in recent years, also thanks to funding that supports its functioning. In terms of co-ordination of tourism development, NGOs play an irreplaceable role, as most destination management organisations work on the principle of NGOs.
From unipolar to multipolar world	This GMT reflects the shift in economic, military as well as cultural global equilibrium that has been transforming the unipolar world after the Cold War into the present multipolar world. In the long term, we can expect even greater fragmentation of economic power and military power, but also of scientific capacities and cultural centres among a larger number of international actors.	Especially due to its size, the Czech Republic has never ranked among the major global players. The Czech Republic is firmly anchored in the economic, social, cultural, academic, military and other structures of the modern Western world.	This trend has no specific regional manifestation in the Czech Republic.
Food security	Food security (food availability, access to food, assured food quality) and the associated growing food production is another GTM. Food production and supply to world markets is dependent on sufficient use of new technologies, efficient energy and infrastructure inputs into agroecosystems, the functioning of the market environment and other factors. They are particularly threatened by the rising food demand, climate change and ecosystem degradation.	Aspects of food security are specific in the Czech Republic and differ from the problems encountered in this area by the developing world. In the Czech Republic, food security can be indeed threatened by some of the above-named phenomena. This is the effect of international trade, regulation of the market environment. In recent years, the effects of climate change such as warming, irregular precipitation and its uneven spatial distribution, decreasing total rainfall, as well as soil degradation, have proven to be a significant risk to food security. The Czech Republic also accentuates food quality.	Food quality, often discussed in the Czech Republic, has no territorial manifestations. However, the other factors mentioned above may have an impact and their territorial differentiation is likely to increase in the future. This applies primarily to territorially uneven precipitation and soil degradation, but regulatory interventions also have territorial impacts, for example, the EU legislation (such as territory-specific cultivation of different plant species and rearing of different livestock).

Growing individualism and the power of individuals	This GMT represents a markedly increasing influence of individuals or small groups on societal, economic and political decision-making processes. The power of the individual vis-a-vis the society and economic entities is growing. This GMT is reinforced by the rising educational attainment, pressure on inalienable human rights, the expansion of individual freedoms and new technologies.	The trend of individualism has naturally affected the Czech Republic too, but here its effect is in the context of a Western democratic society.	The trend of personal individualism has no direct regional impact, but the territorial influence of smaller groups may already be territory-specific. In line with the growing influence of non-governmental actors, active small groups play a role in kick-starting and steering regional development, in the Czech Republic it is especially in rural areas.
Increasing mobility	This GMT reflects the worldwide increase in mobility. Mobility means not only mobility in the physical sense, but also the movement of information, goods and services, as well as virtual mobility in the world network and social mobility across social structures. High mobility enables global interconnection of consumption and production patterns, new models of work and social contacts and interactions. This GMT also affects the removal of barriers to the movement of people, goods and information. Mobility concerns not only to the transportation of people, materials and goods, but also environmental and social burdens.	Given its location in the centre of Europe and its medium size, the Czech Republic is a transit country from an international perspective. In the Czech Republic, the inner mobility of persons and other factors of production is also increasing. The old modes of transport are being replaced by new ones, a significant effect is shown by the mobility of information, which can become an alternative to the movement of people, goods and services. Even in the Czech Republic, the development of mobility encounters territorial, social and environmental barriers.	The specific settlement hierarchy implies the need for specific flows of persons and other basic production factors. In the Czech Republic, it is possible to identify transport-intensive areas, and settlement centres also act as data flow centres. It is essential that mobility limitations in the Czech Republic do not cause unacceptably uneven territorial development.
Growing inequality	This GMT describes the widening gap between rich and poor. Despite the growth of the middle class, income inequalities continue to increase and gender inequality still persists despite its converging trend. The GMT is reinforced by increasing indebtedness and a technology gap between the poorest and the richest.	Although in the Czech Republic we do not encounter such dramatic differences between the rich and poor across the society as in other countries and the Czech Republic ranks among countries with the least social differences in Europe and the world, some of the above-described aspects of a widening gap are evident here. Although, for example, gender differences are not as obvious as elsewhere in the world, the Czech Republic is facing an alarming situation in terms of indebtedness of individuals and households.	Territorial inequalities can be identified both at the level of individuals and regions. The main indicators of inequalities are described in the Initial Analysis.
Increasing migration	Continuing modernization, manifested e.g. in the information revolution, increasing communication intensity,	In the context of the Czech Republic, it is difficult to separate the issues of mobility and migration.	Migration flows in the Czech Republic have long been below the intensity of e.g. the industrial

	<p>increasing transport connectivity and reducing transport prices, the emergence of global media and the global economy, global market growth and overall global development, contributes to the increasing intensity of human migration. The main causes of migration are mainly the deep inequality in the global distribution of wealth, as well as frequent differences in the degree of democracy and political stability in countries of the North and South. The rich North is successfully spreading the idea of a free market and the associated values and culture across the planet, and the South accepts them, and so inequalities further deepen and migration grows. So-called “push” factors (conditions that push people to move from their countries of origin), such as poverty, unemployment, war conflicts, dictatorships, overpopulation or environmental destruction, are complemented by so-called “pull” factors (conditions that attract people to target countries) - high quality of life, employment, safety, education, social networks (e.g. relatives or acquaintances who already live in the target country) and others.</p>	<p>Natural migration trends are influenced by several factors, mainly the availability of housing and job opportunities in attractive areas. Also due to the slowing effect of these factors, we cannot speak of increasing (domestic) migration in the Czech Republic. An alternative to migration is increased mobility with all its mostly negative aspects.</p> <p>Recently, the issue of international migration has also come to the forefront in the Czech Republic. The Czech Republic is attractive for migrants from Eastern Europe and some Asian countries. So far, the Czech Republic is not one of the target destinations of migrants from the Near and Middle East and Africa.</p>	<p>revolution. The moving of people from smaller municipalities to more attractive areas, especially larger towns and their hinterlands, is weakened mainly by unaffordable housing.</p> <p>Suburbanization trends are manifesting in the Czech Republic with a lag after Western Europe and other developed areas of the world. They are the most striking in the largest cities.</p> <p>The potential territorial impact of increasing international migration to the Czech Republic cannot yet be estimated responsibly.</p>
Increasing volume of regulation	<p>Socio-economic progress in recent centuries has been marked by a steady development of governance systems to guide society towards intended positive objectives. The existing civil service system or economic relationship systems are an example of that development and currently play a key role in the development of States. The increasing volume of regulations reflects, for example, the increasing complexity of socio-economic interactions with the environment. Regulation of public space, new technologies and the use of ecosystem services is increasing. The use of elements of market governance and other complementary systems is increasing.</p>	<p>As a member of the EU, the Czech Republic is obliged to implement a number of directives into the Czech context. Goldplating, i.e. an undesirable extension of the content of the directives in a way that creates a new burden without contributing to the intended objectives of the directive, can be seen as a potential risk in this respect.</p>	<p>This GMT can have significant regional impacts. Regulations may define the manner or intensity of land use. Examples could be found primarily in the areas of the environment and agriculture. They can manifest themselves both in rural areas and in cities (restrictions on production, transport, use of resources, etc.)</p>
Growing population	<p>World population growth is one of the major GMTs, which has a strong parallel impact on a number of identified GMTs. The world will reach its population peak around 2100.</p>	<p>It has no direct influence on the Czech Republic, it can have an indirect influence within the meaning of the annotation.</p>	<p>Territorial impacts consistent with migration, especially potential international impacts, can be</p>



	Population estimates at this maximum are around 12 billion inhabitants. Population growth has different dynamics in different parts of the world, creating significant regional disparities. The growing global population is strengthening migration trends, it affects the increasing pressure on resources and on ensuring global food security and the sustainability of socio-economic systems.		identified but not yet specific for a particular territory.
A growing access to information	With the democratization of society and the increasing virtualization of human activities, the access of individuals, groups or States to information increases. More and more information is freely available, the trend of open access to information and databases is strengthening. This GMT significantly strengthens the other GMTs, in particular the democratization of society, it facilitates faster technological development and gives individuals a stronger bargaining position with authorities, groups or corporations.	This GMT is also notable in the Czech Republic. After its onset, it will be essential to avoid deliberately imposed barriers and to promote the relevance and truthfulness of information. It is evident that some social groups are partially or completely excluded from this trend (old people, some disabled people, etc.)	Even using state-of-the-art technologies, territorially non-specific distribution of information cannot be guaranteed. The possibilities of access to information are assumed to decrease with the decreasing size of municipalities.
Growing consumption of resources	Within this GMT, an absolute increase in global consumption can be seen in almost all resources. There are significant regional disparities in world consumption, mainly due to the shift of production within global production chains, the varying economic strengths of world regions, and also the pressure on dematerialization and a waste-free economy. Overall, however, global consumption of goods and services can be expected to continue to increase.	Both industry and agriculture are characterized by high energy and raw material intensity of production compared to the most developed countries. The Czech Republic attempts to follow the trends of being waste-free and using alternative sources such as energy. In times of economic boom, resource consumption is rising.	Given the uneven distribution of usable resources, this is a territory-specific problem in the Czech Republic. The coordinating and regulatory role is clearly in the hands of the State.
Growing consumption of energy	There is a constant increase in energy consumption associated with a growing world population and with the society getting globally richer. Fuel structure and production technology are changing. Despite increasing energy savings, consumption and demand for energy will continue to rise. This major GMT affects a number of other megatrends, in particular climate change, global economic growth and food security.	The Czech Republic ranks among countries with high energy intensity of production. The currently operated sources of electricity are sufficient so far, the Czech Republic even exports electricity, but the future must be secured with a modern energy concept. The trend of energy savings is also intensifying.	The Czech Republic has a specific territorial structure of energy production from traditional sources (coal and water), which is complemented by nuclear energy located primarily in geologically stable areas with sufficient water for cooling. New, territorially non-specific sources are e.g. photovoltaic power plants.
Increasing indebtedness	This GMT describes the steadily growing debts of world economies. The indebtedness of both central governments and households is increasing. Not quite an obvious part of	Indebtedness at the level of individuals and households is a significant problem of the current Czech Republic. A specific feature of the	Indebtedness of individuals and households has a clear territorial pattern in the Czech Republic. Indebtedness is one of the main characteristics of

	the increasing indebtedness are the growing environmental debts - old burdens, exceeded sorption and production capacities of ecosystems. Global aging is putting an increasing pressure on pension systems, which will ultimately augment the rising indebtedness.	Czech Republic in terms of debt are, for example, old environmental burdens.	so-called excluded localities. Even old environmental burdens have a specific territorial projection, they can be found in both urban and rural areas.
Middle class growth	The middle class is a social class ranking in the middle of the social stratification of society. The middle class is growing along with the advancing global economic growth, general education attainment, democratization of society and the growing population. Middle class is characterised by a specific level of lifestyle (housing, leisure and consumption of goods and services in general), involvement in political and/or community processes in their surroundings and participation in solving community problems. The growth of the middle class is influenced by a higher degree of democratization of society; the specific middle-class consumption patterns influence the growth of global resource and energy consumption.	This trend is not dominant in the Czech Republic. Rather, we are talking about a crisis of the middle class. Its role in the social hierarchy is being weakened and the richer population and the socially excluded are becoming the important components of society.	In the Czech Republic, there is a trend of territorial segregation of population, from luxury residential districts to excluded localities.
Reducing discrimination	This GMT represents the long-term development of viewing discrimination in society on the grounds of race, religion, gender, sexual orientation or social status.	In the Czech Republic, discrimination of some groups of the population is decreasing along with increasing knowledge and reducing prejudice.	Despite this trend, it is still possible to identify areas in the Czech Republic in which some of the above-mentioned phenomena are concentrated; such areas are classified as excluded. They occur in varying intensity in both urban and rural areas.
Urbanization	An increasing share of the world's population lives in an urban environment. Today, more than half of the world's population lives in cities. By the end of 2050, the urban population is expected to reach 75% of the world's population. There are a number of factors related to urbanization; the urban population, in contrast to the rural population, has significantly different consumption patterns. The urban population is also increasingly exposed to adverse phenomena related to the urban environment, such as air pollution, crime or civilization diseases.	Regarding its development, the Czech Republic underwent the phase of dramatic urbanization long time ago. Now, both aspects of urbanization - territorial and social - appear in the Czech Republic. The urbanization phase was followed by the subsequent phenomena, such as suburbanization, de-urbanization and re-urbanization, in various intensities. Urbanization has both positive and negative manifestations in the Czech Republic.	The settlement structure of the Czech Republic is the result of the urbanization process that was actually completed in the time of the industrial revolution. The further development of urbanization was rather gradual and has been fading to the present day. Nowadays, the urbanization tendencies are suppressed by external circumstances and the above-mentioned downstream processes manifest themselves, of which the most obvious is suburbanization in the hinterlands of larger and medium-sized towns.

Virtualization of the world	Since the emergence of computers and the Internet, more and more activities shift from the physical world to virtual cyberspace. There is a hybrid interconnection where the real world is closely connected with the virtual world. Social contact, financial operations, trading, work, as well as espionage and international aggression are increasingly taking place on the Internet. Increasingly, the phenomenon of virtual presence occurs, where an individual is virtually involved by means of technology in various events, including the performance of work.	The trends of virtualization of the world are also visible in the Czech Republic. The possibilities of using cyberspace now depend on the capabilities of infrastructure and terminal equipment. In some activities, the Czech Republic ranks among the world leaders (e.g. in augmented reality), in others it lags behind.	Cyberspace is a seemingly alternative space to that described by geography. Especially due to insufficient infrastructure in the rural space, areas with higher population concentrations are strongly favoured in the use of the virtual world.
Healthy lifestyle	This GMT involves the inclination of an increasing portion of the population to using qualified health care, care for one's own health and the consumption of safe food. A healthy lifestyle is perceived very subjectively at least in Western culture and despite its presence there are epidemics of obesity and other civilization diseases in developed countries. Over the past decade, there has been an increasing trend towards alternative medical treatments, the refusal of vaccination and other factors that somewhat counteract this GMT.	Healthy lifestyle is being practiced by an increasing part of the Czech population. This is reflected in the steadily increasing life expectancy. However, the Czech Republic is not exempt from the negative trends described in the annotation. The individual approach of Czechs to practicing this GMT also counteracts the potentially achievable results.	Like other innovative behaviour patterns, healthy lifestyle is expanding primarily in larger towns and spreads to smaller municipalities. On the other hand, the smaller municipalities may not have been influenced by unhealthy urban habits. As this GMT requires more time to spread, the differences in its manifestations in the territory are not significant.
Intensifying globalization	Globalization is a megatrend that has been described by many authors and it characterizes the interconnection and interdependence of socio-cultural, economic, financial, manufacturing, transport, environmental and other systems. That interconnection is constantly deepening and this GMT is expected to continue in the future.	The Czech Republic, as a part of international organizations, as a country involved in world trade, is also involved in ties which are collectively referred to as globalization.	The gateway to the Czech Republic for globalization trends are metropolises, especially Prague. Gradually, the trends spread through diffusion processes even to lower-order settlements.
Climate change and its impacts	Changes in the concentration of greenhouse gases in the atmosphere disturb the planet's energy balance. This brings about intense weather events, changes in rainfall patterns, desertification, shift in vegetation zones, glacier melting, ocean level rising and environmentally conditioned migration. This GMT affects a large number of other GMTs and brings the potential for a number of non-linear changes.	The manifestations of climate change are specific in Central Europe. The impacts will manifest in the Czech Republic in an increased average temperature, fluctuations, changed intensity and volume of precipitation, and generally less predictable weather changes. This GMT can have both positive and negative impacts, many of which are now difficult to estimate.	Even the background materials for RDS show that the territorial impacts of climate change in the Czech Republic will be conspicuous. They are likely to turn lowland areas into more arid areas, and specific manifestations of climate warming will have to be expected and subsequently addressed in built-up areas where their intensity will increase along with the population size of the settlements.

Increasing availability of technologies	Technology penetration into all areas of life, higher affordability and availability of technology is a significant GMT. Technologies are not, in the strict sense of the word, products of a technical nature, but also system services, medical technologies and medical treatment.	The Czech Republic does not remain untouched by the application of this GMT.	In the Czech Republic, the availability of technology usually increases with the population size of the municipality.
Increasing speed of technological change	The dynamics of technological change continue to increase, while the time needed by new technologies to diffuse and be accepted by the majority society is significantly shortening. In addition to the positive impact of technological change, this GMT has a number of negative impacts, in particular increased material consumption or widening technological gap (a situation where a part of the population is not in contact with the current technology).	This GMT could not miss the Czech Republic, the truth is that the Czech Republic lags behind the world leaders in this area. The tie to one of the most technologically advanced countries - Germany - is important. Even in the Czech Republic there are residents who are unable and/or unwilling to keep up with advanced trends.	Since the Czech Republic is not the initiator of most technological changes, the majority of the innovations reach us through settlement centres, especially metropolitan areas. It will be important to support the territorial diffusion of innovation processes so that no area in the Czech Republic remains detached from current world trends.
Increasing competition for resources	Increasing competition for resources is a result of the world's polarization and of unlimited growth in a world of limited resources. It affects the competition of national states, corporations or individuals for water resources, mineral resources, fossil fuels, but also fishing grounds. This GMT will intensify with the growth of the world's population and with the further polarization of the world, and will augment the growth of force policy in the world. Increasing competition for resources will also lead to their faster use.	In the Czech Republic where minerals have been used for many centuries, this GMT concentrates only on the remaining, temporarily unused, newly discovered or yet undiscovered raw material resources. During the period of validity of RDS, it is likely to touch water, fuel-energy raw materials or precious metals/soils.	Given the uneven distribution of usable resources, this is a territory-specific problem in the Czech Republic. The coordinating and regulatory role is clearly in the hands of the State.

## Annex 2 - Link between the RDS and the National Concept of Cohesion Policy Implementation after 2020 (NCI)

NCI thematic area	NCI specific objective	Territorial dimension in the RDS	Other territorial dimension	Overarching strategic documents
<b>Labour market and employment</b>				
	Increasing the participation of disadvantaged groups in the labour market	YES - The specific objective is increasingly relevant for structurally affected regions, economically and socially vulnerable areas and partly also for rural areas.		Employment Policy Strategy up to 2020 Social Inclusion Strategy 2021 - 2030
	Modernization of labour market institutions	NO	NO - The specific objective is equally relevant for all types of territory.	Employment Policy Strategy up to 2020
	Promoting equal opportunities and reconciling work and private life	YES - The need for capacity building of pre-school childcare facilities is unevenly distributed in the regions (high in and around large cities, low in rural areas).		Employment Policy Strategy up to 2020 Family Policy Concept Social Inclusion Strategy 2021 - 2030
	A functioning system of further vocational training	YES - The specific objective is increasingly relevant for structurally affected regions, economically and socially vulnerable areas and partly also for rural areas.		Employment Policy Strategy up to 2020
	Promotion and use of labour mobility	YES - Structurally affected regions and economically and socially vulnerable territories are faced with an outflow of skilled labour, while metropolises and agglomerations have the potential to attract highly skilled labour from abroad.		Employment Policy Strategy up to 2020
<b>Education</b>				

NCI thematic area	NCI specific objective	Territorial dimension in the RDS	Other territorial dimension	Overarching strategic documents
	Improving the education system outcomes with regard to modern competences and labour market needs, including with regard to the digitization of industry and society	YES - Harmonization between the labour market and fields of education identified as a problem primarily in regional centres and in their rural hinterlands.		The strategy for educational policy of the Czech Republic up to 2020
	Ensuring equal access to education and training	NO	NO - The specific objective is equally relevant for all types of territory.	The strategy for educational policy of the Czech Republic up to 2020  Social Inclusion Strategy 2021 - 2030
	Increasing the skills and quality of staff in education	NO	NO - The specific objective is equally relevant for all types of territory.	The strategy for educational policy of the Czech Republic up to 2020
<b>Social inclusion, combating poverty and the health care system</b>				
	Social inclusion	YES - According to the map of socially excluded localities.		The Social Inclusion Strategy 2014-2020 and the Social Inclusion Strategy 2021-2030  Digital Literacy Strategy 2015-2025  Concept of Preventing and Addressing Homelessness in the Czech Republic till 2020  Employment Policy Strategy up to 2020

NCI thematic area	NCI specific objective	Territorial dimension in the RDS	Other territorial dimension	Overarching strategic documents
				<p>Strategy for the educational policy of the Czech Republic until 2020.</p> <p>The Long-term Plan for Education and the Development of the Educational System (2015-2020)</p> <p>Action Plan for Inclusive Education (2016-2018)</p> <p>Roma Integration Strategy 2020</p> <p>Health 2020 - National strategy for health protection and promotion and disease prevention</p> <p>Concept of Preventing and Addressing Homelessness in the Czech Republic till 2020</p> <p>Concept of Social Housing 2015-2025</p> <p>Crime Prevention Strategy 2014-2020</p> <p>Concept of Combating Extremism</p>

NCI thematic area	NCI specific objective	Territorial dimension in the RDS	Other territorial dimension	Overarching strategic documents
				<p>National Strategy for the Development of Social Services 2016-2025</p> <p>Prison System Concept up to 2025</p> <p>National Strategy for the Protection of Children's Rights</p> <p>Concept of Developing Probation and Mediation up to 2025</p> <p>National Strategy for Preventing and Reducing Damage Related to Addiction Behaviour 2019-2027</p>
	Social housing	YES - According to the Market Failure Map, social housing has the greatest relevance in large towns and regions with socially excluded localities.		<p>Concept of Social Housing in the Czech Republic 2015–2025</p> <p>Housing Policy Concept of the Czech Republic up to 2020</p> <p>Concept of Preventing and Addressing Homelessness in the Czech Republic till 2020</p> <p>Social Inclusion Strategy 2021-2030</p>
	Client-oriented social services	YES - Social service requirements are relevant for all types of territory, but in different ways and to different extents in different types of territory.		National Strategy for the Development of Social Services 2016-2025



NCI thematic area	NCI specific objective	Territorial dimension in the RDS	Other territorial dimension	Overarching strategic documents
				<p>Concept of Preventing and Addressing Homelessness in the Czech Republic till 2020</p> <p>Social Inclusion Strategy 2021-2030</p>
	Quality and accessible health care	YES - In terms of access to basic health care, the biggest problem are outlying areas.		<p>Health 2020 - National strategy for health protection and promotion and disease prevention</p> <p>National eHealth Strategy of the Czech Republic 2016–2020</p> <p>Health Research Concept up to 2022</p> <p>Social Inclusion Strategy 2021-2030</p> <p>Concept of Preventing and Addressing Homelessness in the Czech Republic up to 2020</p> <p>Psychiatric Care Reform Strategy of the Czech Republic</p> <p>National Strategy for Preventing and Reducing Damage Related to Addiction Behaviour 2019-2027</p> <p>Strategic Framework for Health Care Development in the Czech Republic up to 2030.</p>

NCI thematic area	NCI specific objective	Territorial dimension in the RDS	Other territorial dimension	Overarching strategic documents
<b>Public administration and security</b>				
	Streamlining public administration to provide quality services	NO	NO - The specific objective is equally relevant for all types of territory.	Strategic Framework for Public Administration Development 2014-2020 Social Inclusion Strategy 2021-2030
	Population protection	YES - The right of way for IRS units when driving to the place of intervention, and strengthening the link between spatial planning, population protection and crisis management is particularly relevant in large towns. In peripheral areas, a greater problem is the insufficient equipment of IRS components, including the capacity for emergency survival and evacuation.		Crime Prevention Strategy in the Czech Republic 2016–2020 Fire Prevention Concept of the Czech Republic 2018–2021 Concept of Population Protection up to 2020, with an Outlook Until 2030
	Computerisation of public administration and deploying the related infrastructure	NO	NO - The specific objective is equally relevant for all types of territory.	Strategic Framework for Public Administration Development in the Czech Republic 2014-2020 Strategic Framework of the National Cloud Computing - eGovernment Cloud of the Czech Republic Ministerial Strategy for eJustice Development 2016-2020 Digital Czech Republic
	Effective security of public administration information and communication systems, including	NO	NO - The specific objective is equally	National Cyber Security Strategy of the Czech Republic

NCI thematic area	NCI specific objective	Territorial dimension in the RDS	Other territorial dimension	Overarching strategic documents
	the IRS components, and adequate response to growing cyber threats		relevant for all types of territory.	
	Digitization of spatial planning (computerisation and digitization of building law agendas)	NO - The specific objective is equally relevant for all types of territory.	NO - The specific objective is equally relevant for all types of territory.	
<b>Research and innovation system</b>				
	Development of facilities for quality and relevant research	YES - Capacities for research and innovation have long been strongly territorially concentrated in metropolises and agglomerations.		Update of the National Research, Development and Innovation Policy of the Czech Republic for 2016-2020 (update in 2018)  National Research and Innovation Strategy for Smart Specialisation  Strategy for International Competitiveness of the Czech Republic for the period 2012-2020  Innovation Strategy of the Czech Republic 2019-2030
	Promoting innovation through applied research and experimental development	YES - Major systemic weaknesses in industrial research require national-level solutions. However, regional innovation systems have different levels and characteristics and some of their needs have a regional dimension, in particular in relation to specific objective Research Environment and Capacity.		National Policy for Research, Development and Innovation of the Czech Republic for 2016–2020  National Research and Innovation Strategy for Smart Specialisation

NCI thematic area	NCI specific objective	Territorial dimension in the RDS	Other territorial dimension	Overarching strategic documents
				Strategy for International Competitiveness of the Czech Republic for the period 2012-2020
	Improvement of strategic R&D&I management	<p>YES - The degree of interconnection of individual actors in regional innovation systems will vary depending on current RIS development and handicaps. Currently, the most developed RISs are in metropolitan areas, and agglomerations and their functional hinterlands also have considerable potential.</p> <p>NO - for interventions related to the national innovation system (e.g. management of the National RIS3)</p>		<p>National Policy for Research, Development and Innovation of the Czech Republic for 2016–2020</p> <p>National Research and Innovation Strategy for Smart Specialisation</p> <p>Strategy for International Competitiveness of the Czech Republic for the period 2012-2020</p>
<b>Support for businesses</b>				
	Improving the innovative capability of SMEs	<p>YES - Although the development of SMEs and their innovation performance is a cross-cutting issue, the real possibilities are influenced by the concentration of such SMEs in the individual regions/territories. Their highest concentration is in metropolises and agglomerations with their functional hinterlands. SME development outside urban areas requires another type of intervention.</p>		<p>Concept of Support for Small and Medium-Sized Businesses for 2014-2020</p> <p>Export Strategy of the Czech Republic for 2012-2020</p> <p>National RIS3</p>
	Increasing the added value of products and services in the production chain	<p>YES - Supporting firms and increasing the added value of their products should be a general endeavour of actors in the regions.</p>		National RIS3

NCI thematic area	NCI specific objective	Territorial dimension in the RDS	Other territorial dimension	Overarching strategic documents
		However, these firms involved in global production networks and value chains are not evenly distributed and tend to concentrate more in the functional units of agglomerations and metropolises.		
	Introducing the principles of digital economy and Industry 4.0 in companies	YES - The introduction of tools for Industry 4.0 has a weaker regional dimension as it should be essentially a broad-based trend. However, the distribution of the sectors and firms to be most affected is not uniform across the territory, and therefore this specific objective will have regional impacts of varying intensity.		National Initiative Industry 4.0  Analysis of the readiness of SMEs for the Industry 4.0 Initiative  Upcoming Strategy for Support of Small and Medium-sized Enterprises 2021–2027  National RIS3
<b>Transport</b>				
	Development and improvement of transport infrastructure	YES - The specific objective has a territorial dimension. Each type of territory faces different challenges in addressing transport handicaps (see the description of territorial dimension in the NCI card)		Strategies of transport sectors
	Developing and improving the integration of transport	YES - The territorial dimension is linked to functional relations between core cities and their hinterlands, or integrated approaches requiring quality strategic transport planning in a broader context. This applies to metropolises, agglomerations and regional centres in the Czech Republic, with different challenges in terms of transport and interconnection with functional hinterlands at each geographic level.		White Paper - Public Transport Concept  National Emission Reduction Programme of the Czech Republic  Air quality improvement programmes

NCI thematic area	NCI specific objective	Territorial dimension in the RDS	Other territorial dimension	Overarching strategic documents
				<p>Medium-term Strategy to Improve Air Quality in the Czech Republic</p> <p>National Action Plan on clean mobility</p>
	Introducing modern technologies for the organization of transport and reducing traffic burden	<p>YES - The specific objective has a territorial dimension. The use of modern technology is becoming increasingly important in places with heavy traffic, be it cities or heavy traffic sections of motorways and roads, often at the administrative boundaries of the core cities of metropolitan areas and agglomerations, which require active traffic flow management.</p>		<p>National Emission Reduction Programme of the Czech Republic</p> <p>Air quality improvement programmes</p> <p>Medium-term Strategy to Improve Air Quality in the Czech Republic</p>
	Effective use of multimodal freight transport	<p>NO - The specific objective has a weak territorial dimension. Despite regional and territorial specificities, the promotion of multimodality is relevant to various types of territory.</p>		<p>Freight Transport Concept for 2017-2023 with a view to 2030</p>
	Increasing the availability and use of alternative fuels in transport	<p>NO - The specific objective has a weak territorial dimension. Clean mobility focuses on transport in towns of all levels of order (i.e. metropolises, agglomerations and regional centres) where the benefits of electro-mobility are most noticeable.</p>		<p>National Action Plan on clean mobility</p> <p>Air quality improvement programmes</p> <p>National Emission Reduction Programme of the Czech Republic</p>

NCI thematic area	NCI specific objective	Territorial dimension in the RDS	Other territorial dimension	Overarching strategic documents
				Medium-term Strategy to Improve Air Quality in the Czech Republic
	Using alternative fuel vehicles in public transport	NO - The specific objective is equally relevant for all types of territory.		National Action Plan on clean mobility  White Paper - Public Transport Concept  Air quality improvement programmes  National Emission Reduction Programme of the Czech Republic  Medium-term Strategy to Improve Air Quality in the Czech Republic
	Development of non-motorized transport	NO - The specific objective is equally relevant for all types of territory.	NO - The specific objective is equally relevant for all types of territory.	
<b>Transition to a low carbon economy</b>				
	Modernizing and streamlining the production, transmission, transportation, distribution and storage of energy	YES - In terms of strengthening the infrastructure for the possibility of increasing the RES production capacity, it is most relevant for rural areas. In terms of strengthening the transport infrastructure - metropolises, agglomeration and, to a lesser extent, regional centres.		National Energy Concept of the CR  CR National Action Plan for Renewable Energy

NCI thematic area	NCI specific objective	Territorial dimension in the RDS	Other territorial dimension	Overarching strategic documents
				National Action Plan for Nuclear Energy Development
	Introducing modern and highly efficient methods of production, distribution and storage of heat energy.	YES - The specific objective is most relevant for some regional centres, agglomerations and metropolitan areas.		<p>Update to the National Action Plan for Energy Efficiency of the Czech Republic</p> <p>National Emission Reduction Programme of the Czech Republic</p> <p>Air quality improvement programmes</p> <p>Medium-term Strategy to Improve Air Quality in the Czech Republic</p>
	Supporting the emergence and deployment of innovative low-carbon technologies and the efficient and thrifty use of renewable energy sources	NO - The specific objective is relevant for all types of territory, with higher concentration in structurally affected regions.		<p>National Energy Concept of the CR</p> <p>National Action Plan of the Czech Republic for Renewable Energy 2010-2020</p> <p>National Action Plan for Biomass</p> <p>Climate Protection Policy of the Czech Republic</p> <p>Strategy on Adaptation to Climate Change in the Czech Republic</p>



NCI thematic area	NCI specific objective	Territorial dimension in the RDS	Other territorial dimension	Overarching strategic documents
				<p>National Emission Reduction Programme of the Czech Republic</p> <p>State Environmental Policy of the Czech Republic</p> <p>National Action Plan for Smart Grids - NAP SG</p> <p>Transmission System Development Plan of the Czech Republic 2017–2026</p>
	Increasing energy efficiency and energy savings	<p>YES - The specific objective has a territorial dimension. Given the need to address energy poverty, different measures will be applied in areas affected by energy poverty compared to the other types of territory.</p>		<p>National Energy Concept of the CR</p> <p>National Action Plan for Energy Efficiency of the Czech Republic (2017) including the Building Renovation Strategy, “Assessment of the potential of high-efficiency CHP and efficient district heating and cooling for the Czech Republic”</p> <p>National plan to increase the number of nearly zero-consumption buildings</p> <p>Climate Protection Policy of the Czech Republic (2017)</p>

NCI thematic area	NCI specific objective	Territorial dimension in the RDS	Other territorial dimension	Overarching strategic documents
				Assessment of the potential of high-efficiency CHP and efficient district heating and cooling for the Czech Republic (2015)  National Emission Reduction Programme of the Czech Republic
<b>Environmental protection and circular economy</b>				
	Nature protection and landscape conservation	NO	YES - The topic takes different forms of territorial dimension, or specific forms given by the long-term effects of the phenomena (e.g. drought, erosion, compaction, acidification, condition of forests, etc.)	National Biodiversity Strategy of the Czech Republic for the period 2016-2025
	Improving air quality	YES - Comprehensive information on air quality in individual Regions is provided in the map of areas with exceedances of the limit values.		State Environmental Policy of the Czech Republic 2012–2020  National Emission Reduction Programme of the Czech Republic  Air quality improvement programmes  Medium-term Strategy to Improve Air Quality

NCI thematic area	NCI specific objective	Territorial dimension in the RDS	Other territorial dimension	Overarching strategic documents
				<p>National Energy Concept</p> <p>National Action Plan on clean mobility</p> <p>CR National Action Plan for Renewable Energy</p> <p>Transport Policy of the Czech Republic for the period 2014-2020, with an outlook to 2050</p> <p>Strategies of transport sectors</p>
	Circular economy, waste and resource efficiency	<p>YES - The total waste production, the ratio between the production of other and hazardous waste, as well as the total waste generation per capita in the regions of the Czech Republic differ based on the different economic focus in each Region. The value of the indicator is influenced by several factors, but it is closely related to the current state of industry and the demographic characteristics of the individual Regions. The total production of waste is influenced significantly by the total production of other waste, which mostly consists of construction and demolition waste. The production of hazardous waste depends on the state of the economy and industry, and is also influenced by the remediation of old environmental burdens. It is related to the introduction and use of</p>		<p>Waste Management Plan of the Czech Republic for 2015–2024</p> <p>Waste Prevention Programme of the Czech Republic</p> <p>State Environmental Policy of the Czech Republic 2012–2020</p> <p>Secondary Raw Materials Policy of the Czech Republic (for the period 2019-2022)</p> <p>An EU Circular Economy Action Plan</p> <p>European Strategy for Plastics in a Circular Economy</p>

NCI thematic area	NCI specific objective	Territorial dimension in the RDS	Other territorial dimension	Overarching strategic documents
		best available techniques and the implementation of the principles of circular economy.		
	Protection and improvement of the status of water and of water management	NO	YES - Significant pollution of surface water persists in the industrial-oriented Regions of Ústí nad Labem, Moravia-Silesia and Central Bohemia, but also in the South-Bohemian and South-Moravian Regions, where the impact of non-point pollution from intensive agriculture and a number of point municipal sources is manifested.	National River Basin Management Plans  Strategy of the Ministry of Agriculture of the Czech Republic with an outlook till 2030  Concept of protection against the consequences of drought for the territory of the Czech Republic
	Reclamation of sites with environmental burdens and revitalization of brownfields	YES - Contaminated localities are distributed in the Czech Republic more or less evenly.		National Strategy for Brownfield Revitalization
	Creating facilities for education for sustainable development	NO	NO - The specific objective is equally relevant for all types of territory.	State Programme of Environmental Education, Awareness and Environmental Consultancy for the period 2016-2025
<b>Culture</b>				

NCI thematic area	NCI specific objective	Territorial dimension in the RDS	Other territorial dimension	Overarching strategic documents
	Protection, development and promotion of cultural heritage	YES - In metropolises and agglomerations, contributing to the improvement of international competitiveness of cities, improving public life, and increasing the attractiveness of places for visitors. Moreover, in regional centres and their rural hinterlands, striving to preserve and develop folk and artistic crafts which play an important role in the functioning of the local economy in these types of territory.		<p>Concept of Conservation of Monuments in the Czech Republic for 2017–2020;</p> <p>Integrated Strategy for Culture Support up to 2020</p> <p>Concept of the State Tourism Policy 2014-2020 and 2021+</p> <p>State Cultural Policy</p>
<b>Public spaces and green infrastructure</b>	Improving public spaces and developing green infrastructure	YES - The specific objective is more relevant to metropolitan areas and agglomerations.		

NCI thematic area	NCI specific objective	Territorial dimension in the RDS	Other territorial dimension	Overarching strategic documents
<b>Tourism and recreation</b>	Sustainable tourism	YES - The specific objective is relevant for all types of territory, but in terms of untapped tourism potential, the most important type of territory are economically stabilized regional centres (border regions, inner peripheries, areas of rural character and regions bordering on tourism-intensive areas).		

### Annex 3 - Cards of indicators for the global objective

<i>Indicator code</i>	<i>Indicator name</i>
<b>1</b>	<b>Persons working in research and development</b>
<i>Indicator definition</i>	Data from the CZSO, or the annual R&D statements, indicate the total number of persons working in research and development, broken down by sectors of their employment (business, government, higher education).
<i>Meaning and reason for monitoring the indicator</i>	It indicates the overall R&D intensity in metropolitan areas and agglomerations, which can be further relativized to the population living in the metropolitan areas/ agglomerations.
<b>GLOBAL OBJECTIVE of RDS</b>	
<i>Type of territory</i>	Metropolitan areas and Agglomerations with their hinterlands
<b>INDICATOR SPECIFICATION</b>	
<i>Indicator type</i>	contextual
<i>Method of calculation</i>	
<i>Unit of measurement</i>	FTE
<i>Territorial unit of monitoring the indicator</i>	districts
<b>INDICATOR MONITORING</b>	
<i>Monitoring frequency</i>	1 year
<i>Source of the data</i>	CZSO
<i>Guarantor of data collection</i>	CZSO
<i>Estimation of data collection costs</i>	public data
<b>BASELINE AND TARGET OF THE INDICATOR</b>	
<i>Initial monitoring year</i>	2017
<i>Last monitoring year available</i>	-
<i>Optimal trend</i>	Growth
<i>Czech Republic - input value (available data)</i>	69 736 (2017)

<i>Indicator code</i>	<i>Indicator name</i>
<b>2</b>	<b>Quality of motorway and rail connection of metropolises to other agglomerations and European metropolises</b>
<i>Indicator definition</i>	Average time of travel by car and train from the metropolis to the centres of other agglomerations in the Czech Republic and neighbouring European metropolises (Berlin - Munich - Vienna - Bratislava - Warsaw) on the main transport routes.
<i>Meaning and reason for monitoring the indicator</i>	Metropolis are natural centres of the Czech Republic, which strive for the best possible connection to the network of European metropolises as well as connection with other centres of agglomerations in the Czech Republic. The speed of the connection on the motorway and railway networks is one of the key parameters of the quality of connection to other metropolises. The indicator also expresses the quality and success of completing the motorway network in the Czech Republic (currently, there is no connection to Vienna).
<b>GLOBAL OBJECTIVE of RDS</b>	
<i>Type of territory</i>	Metropolitan areas and their hinterlands
<b>INDICATOR SPECIFICATION</b>	
<i>Indicator type</i>	contextual
<i>Method of calculation</i>	The average time of travel by car and the fastest railway connection between selected cities is to be determined based on data of the Road and Motorway Directorate (RMD) and the Ministry of Transport.
<i>Unit of measurement</i>	minutes
<i>Territorial unit of monitoring the indicator</i>	Metropolitan areas
<b>INDICATOR MONITORING</b>	
<i>Monitoring frequency</i>	1 year
<i>Source of the data</i>	RMD, ArcČR 500 geographical database, Ministry of Transport
<i>Guarantor of data collection</i>	RMD, Ministry of Transport
<i>Estimation of data collection costs</i>	-
<b>BASELINE AND TARGET OF THE INDICATOR</b>	
<i>Initial monitoring year</i>	2019
<i>Last monitoring year available</i>	-
<i>Optimal trend</i>	decrease
<i>Czech Republic - input value (available data)</i>	



<i>Indicator code</i>	<i>Indicator name</i>
<b>3</b>	<b>Total expenditure on research and development</b>
<i>Indicator definition</i>	Total R&D expenditure can be identified from data of the CZSO, or the annual R&D statements.
<i>Meaning and reason for monitoring the indicator</i>	Total R&D expenditures lead to the creation of new technologies, products and innovative solutions that increase the competitiveness of the metropolitan areas / agglomerations and their hinterlands, or the Czech economy as such.
<b>GLOBAL OBJECTIVES OF RDS</b>	
<i>Type of territory</i>	Metropolitan areas and Agglomerations with their hinterlands
<b>INDICATOR SPECIFICATION</b>	
<i>Indicator type</i>	contextual
<i>Method of calculation</i>	Absolute R&D expenditure, possibly relative to the population of metropolitan areas / agglomerations and their hinterlands.
<i>Unit of measurement</i>	CZK millions
<i>Territorial unit of monitoring the indicator</i>	Districts
<b>INDICATOR MONITORING</b>	
<i>Monitoring frequency</i>	1 year
<i>Source of the data</i>	CZSO
<i>Guarantor of data collection</i>	CZSO
<i>Estimation of data collection costs</i>	public data
<b>BASELINE AND TARGET OF THE INDICATOR</b>	
<i>Initial monitoring year</i>	2017
<i>Last monitoring year available</i>	-
<i>Optimal trend</i>	growth
<i>Czech Republic - input value (available data)</i>	CZK 90 386 million (2017)

<i>Indicator code</i>	<i>Indicator name</i>
<b>4</b>	<b>Quality of motorway and rail connection of agglomerations to other agglomerations and European metropolises</b>
<i>Indicator definition</i>	Average time of travel by car and train from the metropolis to the centres of other agglomerations in the Czech Republic and neighbouring European metropolises (Berlin - Munich - Vienna - Bratislava - Warsaw) on the main transport routes.
<i>Meaning and reason for monitoring the indicator</i>	Agglomerations are natural centres of the Czech Republic that strive for the best possible connection to other agglomerations and the nearest European metropolises. The speed of the connection on the motorway and railway networks is one of the key parameters of the connection quality.
<b>GLOBAL OBJECTIVE of RDS</b>	
<i>Type of territory</i>	Agglomerations and their hinterlands
<b>INDICATOR SPECIFICATION</b>	
<i>Indicator type</i>	contextual
<i>Method of calculation</i>	The average time of travel by car and the fastest railway connection between selected cities is to be determined based on data of the Road and Motorway Directorate (RMD) and the Ministry of Transport.
<i>Unit of measurement</i>	minutes
<i>Territorial unit of monitoring the indicator</i>	Metropolitan areas
<b>INDICATOR MONITORING</b>	
<i>Monitoring frequency</i>	1 year
<i>Source of the data</i>	RMD, ArcČR 500 geographical database, Ministry of Transport
<i>Guarantor of data collection</i>	RMD, Ministry of Transport
<i>Estimation of data collection costs</i>	-
<b>BASELINE AND TARGET OF THE INDICATOR</b>	
<i>Initial monitoring year</i>	2019
<i>Last monitoring year available</i>	-
<i>Optimal trend</i>	decrease
<i>Czech Republic - input value (available data)</i>	

<i>Indicator code</i>	<i>Indicator name</i>
<b>5</b>	<b>Availability of primary medical care</b>
<i>Indicator definition</i>	The indicator expresses the travel time (in minutes) to the nearest GP's office.
<i>Meaning and reason for monitoring the indicator</i>	Primary medical care can be seen as a basic public service, the availability of which increases the quality of life in the community and helps to retain the population. Although in the Czech Republic, according to current data, there is virtually no territory where the minimum standard of the travel time set by Government Regulation No 307/2012 Coll. at 35 minutes is not met, there are regions that are at the upper limit of that standard (i.e. between 20 and 35 minutes).
<b>GLOBAL OBJECTIVES OF RDS</b>	
<i>Type of territory</i>	Regional centres and their rural hinterlands
<b>INDICATOR SPECIFICATION</b>	
<i>Indicator type</i>	contextual
<i>Method of calculation</i>	Distance of municipalities from the nearest general practitioner's surgery
<i>Unit of measurement</i>	Minutes (travel time)
<i>Territorial unit of monitoring the indicator</i>	Municipality; presentation in the form of a map output
<b>INDICATOR MONITORING</b>	
<i>Monitoring frequency</i>	1 year
<i>Source of the data</i>	General Health Insurance Company (chosen because it is the largest health insurance company in the Czech Republic and because the network of contractual providers of primary health care paid by the General Health Insurance Company covers the vast majority of providers in the Czech Republic - see also Šídlo, L., Novák, M., Štych, P., Burcin, B. (2017): EVALUATION AND MODELING OF AVAILABILITY OF PRIMARY HEALTH CARE Summary study.
<i>Guarantor of data collection</i>	MoRD through data of the Institute of Health Information and Statistics
<i>Estimation of data collection costs</i>	public data
<b>BASELINE AND TARGET OF THE INDICATOR</b>	
<i>Initial monitoring year</i>	2019
<i>Last monitoring year available</i>	-
<i>Optimal trend</i>	shortening the travel time

Czech Republic - input value (available data)

<i>Indicator code</i>	<i>Indicator name</i>
<b>6</b>	<b>Availability of social services</b>
<i>Indicator definition</i>	In-patient care capacities and numbers of clients of field and outpatient services in relation to the population of the MEP administrative district.
<i>Meaning and reason for monitoring the indicator</i>	The indicator provides basic information on the availability of social services in the MEP administrative districts.
<b>GLOBAL OBJECTIVES OF RDS</b>	
<i>Type of territory</i>	Regional centres and their rural hinterlands
<b>INDICATOR SPECIFICATION</b>	
<i>Indicator type</i>	Contextual
<i>Method of calculation</i>	Based on Social Services Register data
<i>Unit of measurement</i>	Available capacities related to the population of MEP administrative district
<i>Territorial unit of monitoring the indicator</i>	MEP administrative district
<b>INDICATOR MONITORING</b>	
Monitoring frequency	1 year
Source of the data	Register of Social Services
Guarantor of data collection	MoRD through data from the Social Services Register
Estimation of data collection costs	public data
Initial monitoring year	2019
Last monitoring year available	-
Optimal trend	Improving availability
Czech Republic - input value (available data)	

<i>Indicator code</i>	<i>Indicator name</i>
<b>7</b>	<b>Gross rate of total population increase</b>
<i>Indicator definition</i>	Gross rate of total population increase is a basic indicator expressing the decrease or increase of population in the municipality.
<i>Meaning and reason for monitoring the indicator</i>	The indicator implies the attractiveness of the territory as expressed by the change in the population of the municipality by natural increase/decrease of population and by the migration balance.
<b>GLOBAL OBJECTIVE of RDS</b>	
<i>Type of territory</i>	Regional centres and their rural hinterlands
<b>INDICATOR SPECIFICATION</b>	
<i>Indicator type</i>	contextual
<i>Method of calculation</i>	Population increase/decrease. Values are given per 1 000 inhabitants.
<i>Unit of measurement</i>	‰
<i>Territorial unit of monitoring the indicator</i>	Municipality
<b>INDICATOR MONITORING</b>	
<i>Monitoring frequency</i>	1 year
<i>Source of the data</i>	CZSO
<i>Guarantor of data collection</i>	CZSO
<i>Estimation of data collection costs</i>	public data
<b>BASELINE AND TARGET OF THE INDICATOR</b>	
<i>Initial monitoring year</i>	2019
<i>Last monitoring year available</i>	2019
<i>Optimal trend</i>	Stability or growth
<i>Czech Republic - input value (available data)</i>	

<i>Indicator code</i>	<i>Indicator name</i>
<b>8</b>	<b>Disposable income of households.</b>

<i>Indicator definition</i>	The indicator summarizes the disposable income of households in the region in the context of the regional price level, and estimates the purchasing power of the region's population. The indicator is calculated per inhabitant of the region.
<i>Meaning and reason for monitoring the indicator</i>	The aim is to assess the real socio-economic situation of the inhabitants of the regions of the Czech Republic, i.e. to evaluate the development of incomes of regional households in the context of their cost of living (regional price level).
<b>GLOBAL OBJECTIVE of RDS</b>	
<i>Type of territory</i>	Regional centres and their rural hinterlands
<b>INDICATOR SPECIFICATION</b>	
<i>Indicator type</i>	Contextual The original (territorially detailed) data of State administration authorities on household income (wages, income from the businesses of individuals, other income, insurance and non-insurance social benefits, old-age pensions, etc.) are adjusted and aggregated to the required territorial unit of the MEP. The resulting income estimate is calculated per inhabitant of the region.
<i>Method of calculation</i>	Microdata from CZSO price surveys are used to estimate the price level, the data are adjusted and processed using statistical methods based on the Methodology of Determining the Regional Consumer Baskets and Price Parities for the Calculation of Regional Price Levels (Regional Price Index), certified on 8 December 2015 by MoRD (Certificate 007/2015). The resulting indicator is the ratio of average disposable incomes calculated per capita and the regional price level.
<i>Unit of measurement</i>	CZK
<i>Territorial unit of monitoring the indicator</i>	MEP
<b>INDICATOR MONITORING</b>	
<i>Monitoring frequency</i>	3 years
<i>Source of the data</i>	Technical University Liberec

<i>Guarantor of data collection</i>	Czech Statistical Office, Ministry of Finance of the Czech Republic, Ministry of Labour and Social Affairs of the Czech Republic
<i>Estimation of data collection costs</i>	free of charge
<b>BASELINE AND TARGET OF THE INDICATOR</b>	
<i>Initial monitoring year</i>	2017
<i>Last monitoring year available</i>	
<i>Optimal trend</i>	growth
<i>Czech Republic - input value (available data)</i>	

<i>Indicator code</i>	<i>Indicator name</i>
<b>9</b>	<b>Number of enterprising individuals with employees</b>

<i>Indicator definition</i>	It indicates the rate of economic activity of natural persons in the municipality, whose income is independent of employers (other legal/natural persons) and who have employees.
<i>Meaning and reason for monitoring the indicator</i>	One of the key parameters of business activity in the territory. Natural persons are usually registered locally, so the indicator has a very good informative value about the territory. A higher number of successful entrepreneurs increases the stability of the territory (it prevents dependence on one or several large entities in the region). Natural persons with employees are monitored because the simple number of self-employed persons cannot always be regarded as positive because it can also indicate the boom of the so-called false self-employment.
<b>GLOBAL OBJECTIVES OF RDS</b>	
<i>Type of territory</i>	Economically and socially vulnerable areas
<b>INDICATOR SPECIFICATION</b>	
<i>Indicator type</i>	contextual
<i>Method of calculation</i>	the number of self-employed persons in the municipality with the main income from business with employees
<i>Unit of measurement</i>	enterprising individual with employees
<i>Territorial unit of monitoring the indicator</i>	MEP
<b>INDICATOR MONITORING</b>	
<i>Monitoring frequency</i>	1 year
<i>Source of the data</i>	CZSO
<i>Guarantor of data collection</i>	CZSO

<i>Estimation of data collection costs</i>	free of charge
<b>BASELINE AND TARGET OF THE INDICATOR</b>	
<i>Initial monitoring year</i>	2019
<i>Last monitoring year available</i>	-
<i>Optimal trend</i>	growth
<i>Czech Republic - input value (available data)</i>	

<i>Indicator code</i>	<i>Indicator name</i>
<b>10</b>	<b>Share of long-term unemployed persons (over 12 months)</b>

<i>Indicator definition</i>	Share of economically active persons without employment for more than 12 months.
<i>Meaning and reason for monitoring the indicator</i>	It indicates the reduced ability of persons to enter the labour market in the long term. And also shows the offer of jobs. According to the labour offices' knowledge, the ability to get employed decreases with time, usually after 9–12 months the persons start giving up and lose basic work habits.
<b>GLOBAL OBJECTIVES OF RDS</b>	
<i>Type of territory</i>	Economically and socially vulnerable areas
<b>INDICATOR SPECIFICATION</b>	
<i>Indicator type</i>	contextual
<i>Method of calculation</i>	Number of persons unemployed for more than 12 months, registered by labour offices / total number of job applicants * 100
<i>Unit of measurement</i>	%
<i>Territorial unit of monitoring the indicator</i>	Municipality
<b>INDICATOR MONITORING</b>	
<i>Monitoring frequency</i>	1 year
<i>Source of the data</i>	General Directorate of the Labour Office of the Czech Republic
<i>Guarantor of data collection</i>	General Directorate of the Labour Office of the Czech Republic
<i>Estimation of data collection costs</i>	free of charge



<b>BASELINE AND TARGET OF THE INDICATOR</b>	
<i>Initial monitoring year</i>	2015
<i>Last monitoring year available</i>	2018
<i>Optimal trend</i>	decrease
<i>Czech Republic - input value (available data)</i>	2