

Annex 2: Reporting table on national Europe 2020 targets and other key commitments – The Czech Republic

Progress on implementation	List of measures and their state of play that were implemented in response to the commitment	The estimated impacts of the measures (qualitative and/or quantitative)
National 2020 headline targets		
<p>National 2020 employment target: overall employment rate 75%, female employment rate 65%, employment rate of older workers 55%, reducing youth unemployment by one third, reducing unemployment of the low-skilled by one fourth.</p>	<p>Social reform - package of legislative and organisational measures reforming social system and organisation of delivery social services (in force from January 2012). See also Annex 1.</p> <p>More flexible labour law (in force from January 2012).</p> <p>Support for the supply side of the rental housing.</p> <p>Amendment of the Employment Act (in force from January 2012): new conditions for the registration of job-seekers with PES, optional retraining, new system of supporting employment of people with disabilities etc.</p> <p>Enhanced system of labour inspections - new definition of dependent work, higher sanctions (legislation in force from January 2012); strengthened labour inspection (increased staff of labour inspectorate, increased number of inspections by 15% in 2012 compared to 2011); new project DONEZ launched (aimed at preventing undeclared work).</p> <p>Projects focused on (re-)training of employees in companies with a growth potential – “Get trained for Growth” and its branches (under implementation).</p> <p>New legislation is being prepared concerning the new types of childcare services to extend a range of childcare services</p>	<p>Increasing the efficiency of social transfers, better targeting of social benefits, better synergy between social and employment policy, the reduction of administrative costs, increased motivation of benefit recipient to search for job and to maintain working habits.</p> <p>Employers are encouraged to create new jobs.</p> <p>Facilitation of the labour force mobility.</p> <p>Increased motivation of job-seekers, increased effectiveness and efficiency of ALMPs.</p> <p>Prevention and elimination of undeclared work; transformation of undeclared work into standard employment, savings in social benefit systems; increased social insurance revenues.</p> <p>Focus of the ESF co-funded projects on retraining of workers in sectors with growth potential, with the aim not only to increase employment, but also to increase adaptability of workers and employers and to boost competitiveness and potential growth.</p> <p>Easier (re)entry of parents of small children in the labour market thanks to a larger and more flexible</p>

	<p>providers and types of childcare according to children's and parents' needs and to support parents' participation in the labour market. Family-friendly tax measures are also included concerning the childcare and supporting working parents and family-friendly employers.</p> <p>ESF Project focused on promoting active fatherhood, aiming at support of fathers to share parent's responsibility more equally with their partner, has been implemented.</p> <p>ESF Project is realised focusing on more pro-family measures in the workplace by cooperation with parents' employers.</p> <p>The support of family-friendly NGO's services oriented on promoting reconciliation of work and family life is supported by grants from state budget and from European Social Fund.</p>	<p>offer of childcare services and family-friendly tax support. Expected state budget revenue connected with more working parents. Expected state budget expenditure connected with the registration and inspection of service providers and also with the new family-friendly tax measures (tax credit for parents and tax deductible costs for employers).</p> <p>Awareness raised and promoting of active fatherhood. Thus supporting participation of mothers in the labour market</p> <p>Easier reconciliation of work and family life for parents with children due to more family-friendly measures in the workplace.</p> <p>Dissemination of information for parents and implementation of activities in the field of reconciliation of work and family life, working arrangements, childcare services, including advising and other supporting services.</p>
<p>National 2020 R&D target : public expenditure on science, research, development and innovation reaches a level of 1% of GDP in 2020; securing an adequate increase in the share of the private sector in funding and so contributing to the EU-wide target set in Europe 2020.</p>	<p>Approval of two strategic documents by the Government – The National Innovation Strategy and the Strategy of International Competitiveness, further elaborated into concrete actions.</p> <p>Upgrade of the National R&D&I Policy 2009-2015 with concrete measures.</p>	<p>Emphasis is put on the growing role of research and innovations in securing competitiveness and promoting long-term economic growth, creation of high-quality jobs and hence on the development of standard of living in Czech republic. Concrete actions aim to develop environment for excellent science, enhance the involvement of private sector in research, the development of innovation activities of enterprises and innovation and support the partnership and cooperation between private sector (especially companies doing business in industrial R&D&I and in strategic services closely related to the development of information technologies) and academic sphere (public universities or research organisations). Measures supporting the development of human resources in</p>

	<p>Government approval of the proposal of (amendment to) the Act No 72/2000 Coll. on investment incentives and its submission for further consideration to the Parliament.</p> <p>Government approval of the proposal to establish a new joint-stock company "Český rozvojový, uzavřený investiční fond, a.s." under the seed / VC Fund. Through this joint stock company, the creation of new small and medium enterprises and development of innovative and technologically-oriented companies is to be supported, especially through direct capital inputs. For the first time, the Czech Republic establishes a fund that will provide risk capital from public sources on the development of innovative projects with private investment participation (up to 70% from public sources, at least 30% of private investments).</p> <p>Amendment to the Act on the Income Taxes.</p> <p>Government approval of the action plan for the development of human resources in research, development and innovation.</p> <p>Preparation of new national priorities for research, experimental development and innovation.</p>	<p>R&D and excellent large research infrastructures.</p> <p>More attractive environment for investments by extending the national support also to companies doing business in industrial R&D&I and to companies doing business in strategic services closely related to the development of information technologies.</p> <p>Encouragement of venture capital investments in innovative companies, emergence of new innovative firms.</p> <p>Increase in the level of cooperation between companies and public universities or research organisations, increase in private financial resources to R&D.</p> <p>Ensure quality education and training for future researchers according to market needs and attractiveness of the field to prospective experts. Enhance attractiveness of the Czech republic as a work place for the foreign leading experts in research.</p> <p>Taking account of the outputs and recommendations of the International Audit of the R&D&I system of the CR, of recent trends and the National Innovation Strategy (approved in September 2011) and better targeting the whole</p>
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		R&D&I system. More effective use of public financial resources allocated to R&D&I.
GHG emission reduction target: the maximum allowed increase in GHG emissions not included in the EU ETS is 9 % by the end of 2020 compared to year 2005.	<p>For the Czech Republic, the maximum allowed increase in GHG emissions not included in EU ETS is 9 % by the end of 2020 compared to year 2005 (within the Effort Sharing Decision this value has been modified in relation to EU's target to reduce total GHG emissions by 20 % by the end of 2020 compared to 1990). At the same time the Czech Republic contributes to fulfilling EU's approved reduction target through EU Emission Trading Scheme. Concrete measures for achieving the set target will be developed in the Climate Protection Policy in the Czech Republic.</p> <p>New Air Protection Act should come into force on 1st July 2012. Within one year after the Act is in force a new National Emission Reduction Programme of the Czech Republic will be prepared, followed by programmes for improving air quality within two years. The Climate Protection Policy in the Czech Republic will be adopted by the Czech Government by the end of 2012.</p>	The Climate Protection Policy of the Czech Republic should contribute to transition towards low-carbon, energy-efficient economy, which effectively uses materials, produces goods with high added value and is meanwhile more service-oriented. Apart from positive impact on environment emission reduction it will improve competitiveness of the Czech Republic and generate new jobs.
Renewable energy target: 13 % share of renewable energy sources in gross final energy consumption for the Czech Republic by 2020.	<p>National Action Plan for Energy from Renewable Sources – approved in 2010 (to be updated in 2012).</p> <p>Act of Supported Energy Sources – in legislative process.</p>	The impact of both of the measures mentioned will be to reach the target of the share of renewable energy sources in gross final energy consumption for the Czech Republic by 2020. The tools used will be set in a balanced way to encourage the operators of these resources to be as efficient as possible in their choice of location, technology, connection method and nature with regard to climatic conditions in the Czech Republic.
National energy efficiency target [national target has not been set].	<p>The Government Energy Policy – to be updated in 2012.</p> <p>The Energy Efficiency Action Plan – approved in 2011.</p>	The impact of National Energy Efficiency Action Plan (NEEAP) affects different sectors (eg. households, transport, industry,...) and is quantified as energy savings in GWh by 2016. So far there was a discussion about measures to reduce the average inland consumption in 2002-2006 in the amount of

	<p>Implementing the Directive 2010/31/EU on the energy performance of buildings.</p>	<p>9%. In June 2012 the new directive on energy efficiency (EED) should come into force, which will set new targets.</p> <p>The implementation is solved by 2 working groups, one at Ministry of Industry and Trade of the Czech Republic and one at Czech Chamber of Commerce. The goal is to clarify the basic terminology of the directive and its implementation into Czech law. Because of late delivery of energy saving's calculation by the Commission; dates of implementation should be delayed.</p> <p>Reduction of the energy consumption in residential buildings.</p>
National early school leaving target: maximum drop-out rate being 5.5%.	<p>Improving the social integration role of primary and lower secondary (basic) schools and equal access to education – new piece of legislation.</p> <p>Reform of the school-leaving examination.</p>	<p>Increasing the attractiveness of teaching; linking education to practical life and its needs; providing disadvantaged pupils easier access to education.</p> <p>Achieving a balanced level in determining the degree of knowledge and study proficiency of students that meets the requirements of entrance examinations to universities.</p>
National target for tertiary education: 32% of persons aged 30–34 years with tertiary education.	<p>Higher education act – legislative intention (submitted for public discussion).</p> <p>Financial support scheme for students – legislative intention (submitted for public discussion).</p>	<p>Redefining the competence of the state and universities (under debate), re-empowering the HE system.</p> <p>Precondition to the subsequent introduction of tuition fees – providing students with supportive tools regarding the introduction of tuition fees.</p>
National poverty target: to maintain the number of people at risk of poverty, material deprivation, or living in jobless households in 2020 compared to 2008. The Czech Republic is also making efforts to reduce the number of people at risk of	<p>Social reform 2011: Simplification of the system of social protection, more effective work of government bodies, increased efficiency and targeting of social benefits, reducing administrative burden for users of services.</p> <p>The pension reform.</p>	<p>Increased effectiveness of social transfers, better targeted assistance and benefits to those who really need it.</p> <p>Sustainability of the pension system and adequacy</p>

<p>poverty, material deprivation, or living in households without an employed person by 30,000.</p>	<p>Reform aimed at promoting availability of social services through the efficient and transparent environment of management, networking, monitoring and distribution of public budgets to social services. The project "Support of Processes in Social Services" has been implemented in the period from 2010 to 2015.</p> <p>Strategy to combat social exclusion 2011 – 2015 (approved in October 2011) mainly focused on involvement of socially disadvantaged children into mainstream education, prevention of family breakdown and removal of children in institutional care, employment and security in and around socially excluded localities.</p> <p>Strategy to support the transformation of social services into other types of social services provided in the user's natural community and promoting social inclusion in society is being implemented according to the schedule.</p> <p>In July 2011 the government approved a new Housing Policy Concept of the Czech Republic until 2020, containing a series of concrete measures in housing including systemic and comprehensive solution of social housing.</p> <p>Measures listed in the National Action Plan on Inclusive Education have been implemented.</p> <p>Measures set out in the National Financial Education Strategy for 2010–2015 have been implemented.</p>	<p>of future pension benefits.</p> <p>Ensuring sustainability and efficiency of social services; better accessibility of social services.</p> <p>Improved social situation of population especially in socially excluded localities.</p> <p>The pilot project "Support of the Transformation of Social Services" is designed to conduct the process of deinstitutionalization and transformation of social care services for people with disabilities.</p> <p>Improving of the housing affordability for persons in housing need.</p> <p>Better involvement of children from families at risk of poverty and social exclusion in a mainstream system of education serves as an important tool for preventing the intergenerational transmission of poverty, increases the chances of completing the preparation for their future careers and finding a job.</p> <p>Financial literacy education implemented in the curricula of primary schools. Increased financial literacy of the population in primary and secondary schools to prevent indebtedness, especially of children from families at risk of poverty.</p>
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Euro-plus pact commitments (if relevant) - The Czech Republic does not participate in the Euro-plus pact.

Other (if relevant)

Other key bottlenecks identified in the NRP	Reducing Administrative Burdens for Businesses	<p>Reduction of the administrative burdens on businesses compared to 2005 by 30%.</p> <p><u>The Report on the Fulfillment of the Plan of Administrative Burden Reduction of the Entrepreneurs by 21st December 2012:</u></p> <p>The burden within the framework of the Plan will be monitored continuously and further steps exceeding the Plan will be taken, in cooperation with the respective branches, which would result in additional cut-down of the administrative burden of the entrepreneurs. The branches will inform the Ministry of Industry and Trade about the state of play of the plan fulfillment by 30th June 2012 and consequently by 31st December 2012.</p>
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Main (new or updated) commitments in the NRP for the next 12 months	Foreseen main measures	The estimated impacts of the measures (qualitative and/or quantitative)
<p>Main commitments in relation to each of the AGS priorities, as relevant (see below):</p> <p><u>Priority No. 1: Pursuing differentiated growth-friendly fiscal consolidation</u></p>	<p>The CZ is going to treat with preference the <u>growth-friendly expenditure</u>: i.e. expenditures on research, development and innovation, and on education.</p> <p>In relation to the <u>tax system broadening the tax base</u> - eliminating the exemptions and reduced rates (VAT, corporate and personal income tax) and increasing revenue: The changes of both direct and indirect taxation in the CZ include a restriction of exemptions and reduced rates. Still it is expected that some exemptions will relate to families with children; research, development and innovation; old people; own housing and altruism. Among measures supporting the revenue the lottery tax at the level of 20 % will newly be channelled to the public budgets and the tax from tobacco has been increased based on Council Reg. 2011/64/EU.</p> <p>Shifting taxation away from labour towards taxation which is less detrimental to growth: The Act No. 370/2011 has, as of Jan. 1, 2012, increased the lower VAT rate from 10 % to 14 % and its second phase which included planned introduction of unified both VAT rates at the level of 17.5 % as of Jan. 1, 2013, was</p>	<p>The cuts in expenditures avoid the growth-friendly items, such as research or development.</p> <p>The reduction of tax exemptions belongs to the key aspects of the ongoing tax reform, in support of simplification of the tax system and contribution to the tax compliance.</p> <p>Both the VAT (and other indirect taxation) and the direct taxation changes aim at increasing the proportion of indirect tax revenues within the overall tax revenues with respect to enhancing the growth.</p>

<p><u>Public Administration Reform</u></p>	<p>recently abolished (the higher rate is presently 20 %). The VAT rates as of 2013 were recently approved at the level of 15 % of reduced rate and 21 % of standard VAT rate. The tax reform associated with the introduction of single collection point in 2014 – see below - will reduce direct taxation (Act No. 458/2011 Coll.).</p> <p>To reduce the deficit of public finance, Government recently approved the tax measure package. This package includes tax measures such as an increase in VAT rates by 1 p.p. (mentioned above), increase of the rate on still wine and tobacco, an increase in rate of real property transfer tax, an increase in tax rate of personal income tax and etc.</p> <p>Improving the efficiency of tax collection and tackling tax evasion, encouraging moves from informal or undeclared work to regular employment: This objective is being addressed by already adopted Act No. 458/2011 Coll. Based on current structures of the tax administration, a single collection point will be established, for collection of taxes, healthcare and social security contributions, which should be fully in force as of Jan. 1, 2014. The reorganisation of tax and customs administration – to be valid as from Jan 1, 2013 - and the institutional reform related to the single collection point have already been launched</p> <p>Concept of finalizing of public administration reform A plan of specific measures focused on removing of shortcomings in the system of public administration</p> <p>Act of Officials in Public Administration and on Education in Public Administration A new, unified legal arrangement of working conditions for officials at both central and territorial (local, regional) level.</p> <p>eGovernment Developing flagship eGovernment projects such as Public registers, Data Boxes or Czech POINT in order to increase take-up</p>	<p>The tax reform, together with the establishment of single collection point, as well as the reorganisation of tax and customs administration lead to streamlining of the tax system and lowering its costs and administrative burden. They will contribute to the tax collection efficiency and limitation of tax evasion.</p> <p><i>Quantitative data on tax changes could be further specified in the Convergence Programme with regard to the ongoing political debate.</i></p> <p>Finalising of reform processes in particular fields of public administration.</p> <p>Creation of a single legal framework for public administration officials.</p> <p>The principle of 'once-only' registration of data will be established by the law. Citizens and business will</p>
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	<p>eGovernment services by citizens up to 50% in 2015 and by business up to 95% in 2015.</p> <p>Projects of Electronic Legislation (e-Legislation) and Electronic Legal Code (e-Collection). These projects are aiming at simplifying the access to effective law for citizens, businessmen and Public Administration and to facilitate the orientation in Czech and EU Law. As a part of the project, adoption of the Act on Collection of Acts and international treaties and on digital creation of legislation is foreseen. The project also aims on creation of e-Sbírka (eCollection) and e-Legislativa (eLegislation) systems to ensure the actual implementation of policies contained in the future legislation. These projects are currently under preparation and their realization is to be accomplished in 2015.</p> <p>Re-launching the process of the Regulatory Impact Assessment (RIA) according to the General Principles for Regulatory Impact Assessment approved by the Government in December 2011.</p> <p>Measures are presented in detail in the Competitiveness Strategy for the Czech Republic expanding business opportunities in corporate governance (reducing capital requirements, increasing accountability of statutory bodies or leaving concept of formal contracts), introduction of pilot project aiming at examining the suitability of introduction of specific days, when government regulations affecting business would come into force while the aim is to improve the access to quality information relevant to business and providing assistance to businesses.</p> <p>Main measures are described in the sections on national employment and poverty targets (see above).</p>	<p>be using eGovernment services as a channel for communication with public administration instead of paper post or visiting offices. This type of communication brings savings for both sides – public administration as well as their users (clients). Last but not least, cross-border services in eGovernment area are implemented.</p> <p>The projects will bring higher-quality, effectiveness and transparency to the whole legislation process by its digitalization and by establishing of legally binding / consolidated version during the whole legislation process.</p> <p>An improved performing of the RIA process since January 2012 and involvement of the independent RIA Board will increase the efficiency of the process and strengthen the principle of the smart regulation.</p> <p>Improvement of the business environment and improvement of trade policy framework.</p>
<u>Regulatory reform</u>		
<u>Promoting growth and competitiveness</u>		
<u>Tackling unemployment and the social consequences of the crisis</u>		The estimated effects are given in the respective sections above.

New/updated commitments in relation to the 2020 targets (per target)		
Other commitments (e.g. in relation to key bottlenecks identified in the NRP, as relevant)	<p><u>Enactment of the Act on Mediation in Non-criminal Matters.</u></p> <p><u>Enactment of the new Registry Law.</u></p> <p><u>Amendment of the Civil Procedure Code, the Execution Code and other laws.</u></p>	<p>The purpose of the draft law is to establish in the Czech legal order a new option of alternative dispute resolution (extrajudicial) with assistance of a neutral third party (i.e. registered mediator), who would conduct negotiations of conflict parties in order to reach mutually acceptable agreement. The expected effect should be reduction of workload of courts and thus shortening of the court proceedings.</p> <p>The law should bring about the simplification of the registry proceedings. Introduction of the competence of notaries to make direct entries in the registers is considered in cases, when such entries are based on documents issued by notaries. This measure should reduce the agenda of Registry Courts.</p> <p>One of the aims of this legislation introduces a partial court workload reduction of the extensive agenda of formal nature, which is currently carried out by courts in relation to executions, namely when authorising executor to apply an execution. This would allow release of the staff capacities needed for exercising of supervision over executors, which will increase the efficiency of court activities.</p> <p>Introducing new methods of judicial execution of decisions shall also be a change with positive effect on the law enforcement.</p>