CZECH REPUBLIC

Overview

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| Population and territory | 10 526 937 (30. 9. 2022), 78 870 km2 |
| Administrative structure *(unitary/federal)* | Unitary |
| Regional or state-level governments *(number)* | 13 regions + Prague |
| Intermediate-level governments *(number)* | 205 administrative districts of municipalities with extended powers |
| Municipal-level governments *(number)* | 6 258 |
| Share of subnational government in total expenditure/revenues (2021) | 27.7% of total expenditure  33.3% of total revenues  [Source: [Subnational governments in OECD countries: key data, 2023 edition](https://stats.oecd.org/Index.aspx?DataSetCode=SNGF)] |
| Key regional development challenges | Metropolitan areas   * untapped potential for economic and social development compared to comparable metropolitan areas in Europe * growth adaptation problems   Agglomerations   * weaker links to strong and rapidly growing metropolitan areas, slower economic growth * lower R &D and innovation performance * growth adaptation problems * underdeveloped mobility systems * growing social segregation in some cities * brownfield sites in the centres of many cities   Economically stable regional centers   * less internal potential for development * lack of qualified people for local companies * narrow economic base (diversification of enterprises) * Inadequate range and quality of public, commercial services and transport infrastructure * high proportion of people at risk of social exclusion   Structural affected regions   * low quality of human resources * low innovation performance, insufficient R&D activities in the business sector * low entrepreneurship of people and the rate of new business start-ups   Economically and socially disadvantaged territories   * poor economic performance * deteriorating social structure * poorer access to public and commercial services * problems in areas of former military settlements * lack of access to high-speed internet * incomplete landscaping and land development   Quality planning of regional development |
| Objectives of regional policy | Metropolitan areas  Agglomerations  Economically stable regional centers  Structural affected regions  Economically and socially disadvantaged territories  Quality planning of regional development  [Ministerstvo pro místní rozvoj ČR - Strategie regionálního rozvoje ČR 2021+ (mmr.cz)](https://www.mmr.cz/cs/microsites/uzemni-dimenze/regionalni-rozvoj/strategie-regionalniho-rozvoje-cr-2021) |
| Legal/institutional framework for regional policy | Ministry of Regional Development CZ  Law on support of regional development |
| Budget allocated to regional development (i.e., amount) and fiscal equalisation mechanisms between jurisdictions (if any) | Regional development does not have a specific budget line  Structural funds with allocation of approx. € 3 bn per year can be taken into account as a basis  No fiscal equalisation mechanisms between jurisdictions |
| National regional development policy framework | Regional development strategy of the Czech Republic 2021+  [SRR21-brozura-A5-tisk-EN-09\_12\_2019.indd (mmr.cz)](https://mmr.cz/getmedia/4023f194-31f3-4269-83ef-0e2c86255e92/SRR21-brozura-A5-tisk-EN-9_12_2019-(002).pdf.aspx?ext=.pdf) |
| Urban policy framework | Integrated territorial investments (ITI) is one of the most important investment tool for urban development though the implementation of territorial strategies in the main agglomerations of Czechia. Other priorities include the digitization and the smart cities concept.  An update of the state urban policy framework document "Principles of Urban Policy" is planned to be approved by the government at 2023 (last update 2017). The document should be seen as a summary of recommendations (principles) for urban development in Czechia. Its aim is to align approaches to urban development at all levels of government. The principles also have a guiding function for cities that are about to prepare their strategic development documents. |
| Rural policy framework | Set in Rural development Concept (adopted by the CZ government in January 2020, valid for the period of 2021–2027). The Concept elaborates the territorial dimension of regional development support in relation to the rural areas, also taking into account the diversity of the rural areas. It is also based on 2019's OECD Principles on Rural Policy. |
| Major regional policy tools (e.g., funds, plans, policy initiatives, institutional agreements, etc.) | Community-Led Local Development (multifund – ERDF, EARDF, ESF+)  “The Village of the year” (competition)  Pact for Rural Development in the Czech Republic (analogy to the European Rural Pact) |
| Policy co-ordination tools at national level | Government committee on regional policy; about to be established in 2Q 2023  National Permanent Conference in the sphere of EU Funds |
| Multi-level governance mechanisms between national and subnational levels (e.g., institutional agreements, Committees, etc.) | National Permanent Conference  Platform of CLLD (operational working group of National Permanent Conference)  Rural Development Working Group |
| Policy co-ordination tools at regional level | Regional Permanent Conferences |
| Evaluation and monitoring tools | Annual mapping of the infrastructure of small municipalities |
| Future orientations of regional policy | Place based approach  Territorial Impact Assessment  Smart solutions and principles  Local initiatives  Strategic planning  Energy production, self-sustainability, community power generation |

Recent policy developments

The Czech regional policy relies on EU structural funds investments. Additional resources, though minimal in comparison, come from other budgetary sources. The regional policy is guided by the “Regional Development Strategy 21+”, which was approved by the government in late 2019. To guide the management of structure funds, a special document called “Territorial dimension of operational programmes”, approved by the government, stipulates compulsory regional investments, especially in the area of integrated tools (Integrated Territorial Investment and Community-led Local Development).

The government has made regional policy a key priority of its agenda and has set out some new directions, including to incorporate territorial impact assessment in legislation procedures and to establish a new initiative called “Government committee on regional policy”, which should strengthen the Ministry for Regional Development vis-a-vis other line ministries so as to enforce regional policy interests across all government investments and other activities.