

Czech Republic

1. National Recovery and Resilience Plans

Question 1	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan?	Dissatisfied
Question 2	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Neutral
Question 3	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident

2. Assessment of Country Specific recommendations 2022 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	In 2023, ensure that the growth of nationally-financed current expenditure is in line with an overall neutral policy stance, taking into account continued temporary and targeted support to households and firms most vulnerable to energy price hikes and to people fleeing Ukraine. Stand ready to adjust current spending to the evolving situation. Expand public investment for the green and digital transition and for energy security, including by making use of the RRF, RePowerEU and other EU funds. For the period beyond 2023, pursue a fiscal policy aimed at achieving prudent medium-term fiscal positions. Take measures to ensure the long-term fiscal sustainability of public finances, including the sustainability of the pension system.	Important	Unsatisfactory	The proposal envisages significant deficit management both next year and in the budget outlook. We do not see significant and systemic measures on the expenditure side, e.g. regarding the number of civil servants.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	Proceed with the implementation of its recovery and resilience plan, in line with the milestones and targets included in the Council Implementing Decision of 8 September 2021. Swiftly finalise the negotiations with the Commission of the 2021- 2027 cohesion policy programming documents with a view to starting their implementation.	Important	Mixed	<p>The negotiations on the 2021–2027 cohesion policy programming documents have successfully concluded. Operational programmes are open and calls are already running. The delay was almost entirely due to delays at EU level.</p> <p>The NRRP also started, but with a long delay caused first by familiarisation with the procedures and then by the change of government due to elections and new political situation. Unfortunately, the delay in the NRRP will also result in delays in some of the follow-up calls in the cohesion funds. In the components of digitalization of state administration and e-government there is a high risk of non-fulfilment of milestones and therefore reallocation will be proceeded with.</p>
CSR 3	Strengthen the provision of social and affordable housing, including by adopting a specific legislative framework for social housing and improved coordination between different public bodies.	Helpful (but not a priority)	Unsatisfactory	

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	Reduce overall reliance on fossil fuels and diversify of fossil fuel imports. Accelerate the deployment of renewables, streamline permit procedures and make grid access easier. Increase the energy efficiency of district heating systems and of the building stock by incentivising deep renovations and renewable heat sources.	Important	Satisfactory	

3. Reform Progress in your Member State in 2022

How would you assess reform progress in 2022, for the following broad areas:

Taxation and Public Finances	Unsatisfactory
Business environment (regulation/access to markets)	Mixed
Labour market	No progress
Innovation and skills	Unsatisfactory
Access to finance and Financial stability	Unsatisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2023 Reform Barometer?

4. Reform priorities for 2023

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Sector specific regulation (telecom, energy)	capping the price of electricity, gas and heat; Czech energy concept that will ensure the supply of energy to industry at competitive prices	yes partly
Priority 2	Public investment	investments to promote economic growth	yes
Priority 3	Labour market mismatch and labour mobility	facilitate economic migration, maintain flexicurity principles in labour law	yes
Priority 4	ICT	AI Act, Data Act, Cybersecurity and Cloud	yes
Priority 5	R&D and Innovation	make tax deductions for research and development more attractive and prepare the modernization of legislation to support research, development and innovation	yes partly