

**VISION
CHALLENGE
CHANGE**

NEWS

Czech presidency of the Council of the EU and MRD | 1/2022



MINISTRY
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#CZPRES



With Minister Bartoš on priorities for the presidency

An opportunity to move our priorities forward, both as the Czech Republic and Europe. This is also how the Czech presidency of the Council of the European Union is perceived by Ivan Bartoš, Minister of Regional Development and Deputy Prime Minister for Digitalisation.

What are your personal expectations from the Council presidency and what do you consider to be the priorities?

The country holding the presidency has a great chance to stake out a new path for the policies the EU is dealing with. In addition to the priorities of the government as a whole, each minister has their own portfolio in which they're trying to make progress. For us, it's certainly the policy of cohesion. This is a very

important policy of the EU towards its Member States, as one third of the EU budget is made up of cohesion funds.

What exactly should we understand by "cohesion policy"?

One of the tasks I'd like to fulfil during the presidency is to make people aware of the role of cohesion policy in developing the regions, in their daily lives. Every day



“COHESION POLICY SEEKS TO BRING SUSTAINABLE DEVELOPMENT TO THE REGIONS AND LOOKS TO CLOSE THE WIDENING GAP BETWEEN RICH AND POOR. AND MY BIGGEST GOAL IS TO DEFEND ITS BENEFITS.”



we come across multiple achievements that European funds have brought to municipalities, to cities, and to people’s lives. It’s quite likely that the wastewater treatment plant in your village has been co-financed from European funds, elsewhere it might be a new railway station or renovated school. Regional alignment is an essential condition for European cooperation, and the Czech Republic is the sixth country to sign a partnership agreement for the new funding period, which will make CZK 550 billion available for us to use to improve life in the regions.

This is how we must look at cohesion funds. As a resource helping to improve the quality of life of people in the European Union. Cohesion policy seeks to bring sustainable development to the regions and looks to close the widening gap between rich and poor.

Why is this balance between the regions so important?

We shouldn’t want any region to fall below some threshold for quality of life, and these differences can be obvious. If we think about the Czech Republic, the dynamics of how people live in a particular place can change significantly due to various influences. Whether that involves, for example, an investor leaving and shutting down production in a given region, or a shift away from mining or heavy industry. We don’t want to have areas of no-man’s land, places that people have abandoned, where towns are gradually depopulating and villages are disappearing.

And if we look at the issue in a European context, one of the advantages I see as an EU citizen is that I can go abroad to study, I can choose to work in any Member State, and can expect a certain standard of

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quality of life. Cohesion policy aims to maintain this standard, along with possible specific features. And it is important in other aspect as well. Unlike National Recovery Plans, which are revised by the European Commission, cohesion policy is regionally based – it’s a so-called place-based policy. That is, it does not arise from somewhere up, that the ministry makes something up, but it’s being prepared in cooperation with partners in the regions. Rather, policy is prepared in cooperation with partners in the regions.

That being said, cohesion policy is not the ministry’s only priority for this period. What else are you focused on?

Definitely tourism. After Covid and with the war in

Ukraine ongoing, it’s been a heavily affected sector, both outbound and inbound tourism. The European Commission has identified 14 areas most affected by Covid, and in many cases the situation has been significantly impacted by the war. And the first area the EC has decided to tackle is tourism. As part of the presidency, we’re also hosting the European Tourism Forum and addressing issues such as transforming the sector. This is essential for a segment that employs a large number of people and brings relatively large sums of money into state and local government coffers. And not only in the context of digitalisation, which of course also affects this sector, but really with an emphasis on what the possibilities of tourism are in terms of contribution to the regions. ■





DANIELA GRABMÜLLEROVÁ:

We know how to find innovative ways

We take a look behind the scenes of preparations for key events planned for the Czech EU presidency with the Deputy Minister of Regional Development, responsible for managing the Section for the Coordination of European Funds, International Relations and Tourism.

In your opinion, what's the biggest challenge for the Czech Republic during the Council presidency?

It's taking place in an extremely difficult political and economic situation, and not only within Europe. This requires the Czech Republic to be extremely flexible and to be able to respond quickly to all current issues; also to be positive and creative, able to come up with new and feasible solutions to new and unexpected challenges. And able, too, to seek consensus and negotiate effectively. I think we Czechs can do this quite well, and we know how to react promptly and find new ways to achieve the desired results. Personally, I consider the biggest challenge to be the difficulty of predicting developments in the coming months – whether in the area of energy and prices more generally, or in the development of the situation in Ukraine. The substantive elements of the presidency are, of course, continuously adapting to this challenge.

How are preparations going for the most important Ministry of Regional Development events?

Preparations were initiated at the Ministry of Regional Development in good time. The early start also reflected the necessary public procurement processes associated with organising individual planned events in Prague and the regions. The ministry has its own conference facilities in the building – this is a great advantage, and many events will take place “at home”. The facilities are also equipped with the appropriate technology, including interpreting booths, which makes organisational preparations much easier. The ministry's largest and most important presidency events will take place at the Congress Centre, and we're working with

the Office of the Government to prepare them according to set schedules and procedures. At the beginning of September, the ministers of EU countries responsible for EU funds under the cohesion policy will meet there to discuss the benefits and results of this important European policy, as well as its future, under the chairmanship of Regional Development Minister Ivan Bartoš. This is our most important ministerial event, and we're taking great care in its preparation.

How is Brussels responding to the priorities of the Ministry of Regional Development?

Judging by the results of meetings with our European partners in Brussels, I believe that the response to our priorities has been very good. Representatives of the Ministry of Regional Development have been in Brussels regularly, presenting the preparation of priorities and events, at both the working and political level. This has made it possible to incorporate the suggestions of partners already during preparations for the presidency. Continuous cooperation with the European Commission, the European Parliament, and the General Secretariat of the Council, in particular, is essential because – as a result of the urgent economic situation – we'll have to moderate some completely new proposals for European legislation so that it “gets done” this year and European funds can be promptly put to use helping EU Member States implement projects aimed at solving urgent problems – including those caused by rising prices and the influx of refugees. Nonetheless, we're not neglecting our vision for the future; that's why our priorities include opening up a European debate on the future direction of EU funds. ■

500 plus

This is the number of monuments that have been reconstructed since 2014 thanks to support from EU funds. One of them is Kost Castle. 75 million crowns from the Integrated Regional Operational Programme secured the five-year project, which ran from 2016 to 2021.



Where EU funds are also helping



New machinery for firefighters

Volunteer firefighters from the municipalities of Zákupy, Žandov, and Nový Oldřichov in the Liberec Region also received money from the EU. Thanks to support from the cross-border cooperation programme Czech Republic – Free State of Saxony 2014–2020, they were able to purchase three water tenders and one vehicle for transporting the team.

Did you know that in the years 2014–2020 alone, over **411 thousand projects** were approved in the Czech Republic, and their authors were reimbursed with over CZK **523 billion** from European funds? Or that the Czech Republic has negotiated another CZK **550 billion** for its cohesion policy for the years 2021–2027?



A road from Prague to Dubai

Well, almost... Thanks to support from EU funds, 5,094 km of motorways and I-III class roads were reconstructed in the Czech Republic. That is more than the distance flown between Prague and Dubai! One of the supported projects was the construction of the Ševětín-Borek section of the D3 motorway.



Children in mind



Grant programmes coordinated by the Ministry for Regional Development have supported – among other things – 2,503 kindergartens, primary, secondary, and higher vocational schools, and 180,900 extracurricular activities leading to the development of the competences of children and youth, and to 2,627 students with special needs using counselling and assistance services.

Czech Republic is 7th best in the EU at using EU subsidies

This is the country's highest ranking so far. The European Commission has already paid the Czech Republic over 79% of all European funds negotiated for the 2014–2020 programming period, a total of approximately CZK 523 billion.

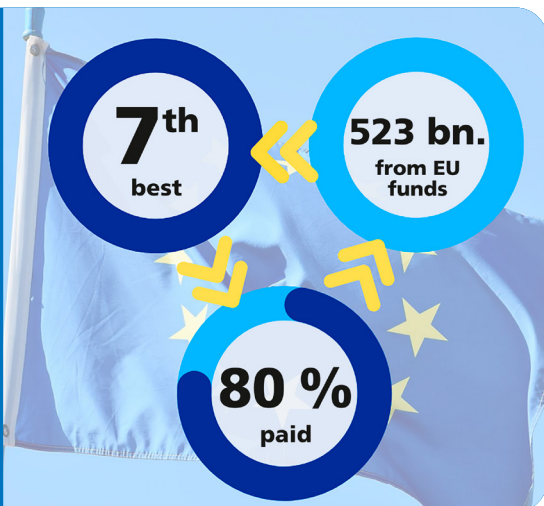




Photo: Ústí Region

Partnership agreement and Funds are a means, not an end



Cohesion policy was the main subject of our interview with Emma Toledano Laredo, Director for Better Implementation, Closure and Programme Implementation III of the European Commission's Directorate-General for Regional and Urban Policy.

How high does the cohesion policy stand among values of the European Union?

Cohesion policy is a cornerstone of EU policy. It makes sure that everybody benefits from being part of a community that holds up the principle of solidarity, no matter where they are in Europe. The Treaty sets out the role of cohesion policy in supporting the harmonious development of the European Union, to ensure social, economic and territorial cohesion of regions.

Important feature of the cohesion policy is that it is implemented in the shared management mode. For this, the partnership principle is crucial: authorities and key stakeholders at local, regional, national and European level must join forces to well implement EU funding.

Constant dialogue is a pre-requisite for efficient partnership, also between national and regional level. Inclusive partnerships involving representatives of different sectors and interest groups including marginalized groups and youth is in the core of the bottom-up approach.

There are many challenges for the EU when it comes to cohesion policy. For example, there was a debate about growing complexity of financing the EU at a recent expert meeting in Prague. Do you believe it is possible to overcome such challenges?

One of the possibilities to overcome the complexity of the financing that you mentioned is the greater use of simplified cost options (SCOs) which allow moving away from burdensome administrative paperwork and putting greater focus on achieved results. You may have noticed that Commission has proposed the specific simplified schemes for Ukrainian refugees to ease the reimbursement of the costs. Also, in the 2021-2027 programming period, we allow the payments between the Commission and the Member state to be reimbursed on such basis. I can only appreciate the efforts of Czechia to respond to this initiative and that you came up with several schemes in your programmes. Although the negotiations with the Commission services are not always easy when it comes to SCOs, our discussions

and experience are paving the way forward for other Member States also in this area.

We see a comparison is being made recently between cohesion policy and Recovery and Resilience facility. Some internal reflections will need to be launched at a certain point in time, equally it will be important to learn the first lessons from the negotiation and launch of the new programmes. But the lessons to learn are on both sides, i.e. Cohesion and RRF, and there are mutual learning opportunities available for both sides.

How is the Czech Republic doing in the context of the whole EU when it comes to cohesion policy?

I must congratulate the Czech Republic on the very high scores in terms of contracting and spending of the 2014-2020 period. Also for the 2021-2027 period, Czechia was among the front-runners, your Partnership Agreement was approved as 6th in the row. This was possible due to very constructive and constant dialogue and cooperation with colleagues from National Coordination Authority and all the line ministries.

Is there anything worth complimenting on in the Czech Republic? And is there anything we can improve?

I mentioned the good spending rates and the preparedness for the new period. I think this is also due to harmonized methodological environment and stable and skilful staff that works at NCA and ministries. We must bear in mind this might not be the case at the side of all beneficiaries and the targeted assistance is needed specifically in the North-West region that I just mentioned.

It is essential to clearly communicate the benefits of the policy to regular people, raise the awareness among potential applicants and beneficiaries about the possibilities of European funds and increase the visibility of the Funds and the European Union. Citizens should be better informed about the impacts of the cohesion policy in their region and in the Czech Republic in general. Particular attention should be paid to the support for climate change mitigation and the transformation of coal regions.

And we constantly need to keep in mind the respect for the partnership principle by involving the right people and organisations, including NGOs, in the discussions about the EU funds, and their implementation.

What opportunities will Czech regions have in the next few years?

The opportunities are numerous but so are the challenges. In terms of the funding available, Czechia will benefit

from 21,4 billion EUR (including the European territorial cooperation) in 21-27 period. But the Partnership agreement and Funds are a means, not an end. The Partnership Agreement sets joint priorities, commits to spending in line with our common European values, and the future we want to create together.

The Czech Republic's economy is energy intensive, it is necessary to invest in improving its energy performance, increasing the share of renewable energy sources, security of energy supply, competitiveness and sustainability. One of the great opportunities in the next years, with the help of RePower EU initiative, is to reduce dependence on Russian fossil fuels and bring forward the green transition in Czechia.

With additional push in terms of funding from Recovery and Resilience Fund, Czechia will be able to overcome the existing shortcomings in next years and maximize the growth potential of the digital economy. In terms of connectivity on the ground, investments from EU funds should aim at creating a sustainable, climate-resilient, smart, safe and intermodal transport network accessible to all groups of the population. Czechia is expected to increase the attractiveness of clean urban and suburban public transport.

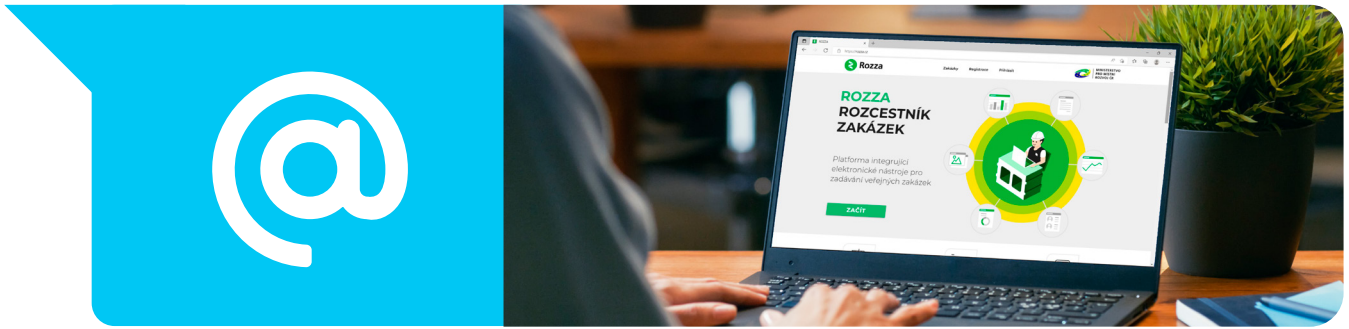
European Social Fund Plus shall support the adaptation to the green and digital transitions by increasing the level of skills and by enhancing the gender balance to develop and inclusive and resilient job market. We constantly need to keep in focus the needs of disadvantaged people, such as people with disabilities, people living in excluded localities and young people with fewer opportunities to make sure not to leave anybody behind.

What are your expectations regarding the cohesion policy during the Czech Presidency in the Council of EU?

I welcome the Czech intention to take stock of the outcome of the 2021-2027 programming negotiations under your Presidency and try already to draw lessons for the following programming period.

The future discussion on the visibility of the contribution of the policy for the development of regions must be underpinned by tangible results on the ground. This may prove challenging in 2022 as we all witness the slower start of this programming period than we initially expected.

However, me and my colleagues can provide support with showcasing the successful stories, especially regarding the twin transition. I also hope this effort will be picked up by the future presidencies as it is the common effort and interest of us all to constantly improve the policy and look for the best solutions. ■



Access to public procurement? Easier than you might think!

The Public Procurement Bulletin and the Rozza portal, both administered by the Ministry of Regional Development, contribute to the transparency and easy access to public procurement.

For all those interested in public procurement, the Public Procurement Bulletin (www.vestnikverejnychzakazek.cz) is a basic source of information, through which information on all large- or small-scale procurement (“above-threshold” or “below-threshold” public contracts) in the Czech Republic is published by law. Only below-threshold procurement awarded under simplified below-threshold procurement procedures are exempt. What are above-threshold public contracts? These are contracts whose estimated price will reach or exceed the financial limits set out in the government regulation implementing the relevant European Union regulation.

Below-threshold public contracts awarded under the simplified below-threshold procurement procedure and small-scale public contracts are advertised electronically through a number of public and private instruments. These include, for example, the National Electronic Tool (NEN), the Portal for Appropriate Publication, Tendermarket, E-ZAK, or the projects Tender Arena and Gemin.cz.

And there is good news for potential bidders for public contracts. You do not have to spend hours browsing through contracts posted on each individual site. Their operators, together with the Ministry for Regional Development, have introduced the ROZZA portal (the name is an abbreviation for the Procurement Directory, which in Czech is Rozcestník zakázek) to connect these tools, but which at the same time respects the specific needs of contracting authorities. The aim of this platform is to simplify access to this data for suppliers tendering for public procurement, and thus increase the transparency of procurement in the Czech Republic.

The ROZZA portal (<https://rozza.cz/>) is founded on the philosophy of open data. Take a look, and you will quickly discover that this data is easily accessible in a structured and complete format, making it easy to process and use.

As a supplier, you can rapidly search the portal for currently open public procurement tenders and, if any catch your eye, you can easily submit a bid. Once the portal is complete, you will only need a single user account. At the same time, ROZZA respects the different requirements on the part of individual contracting authorities for the functionality of electronic tools. This preserves the necessary competition in the market for electronic tools and leaves contracting authorities free to choose the one that suits them best.

Computerisation as a priority

However, if the computerisation (or electronisation) of tenders has been resolved as described, why has the Ministry for Regional Development still made the computerisation of public procurement one of its priorities for the Czech presidency of the Council of the European Union? The simple answer is that there is always room for improvement. And also room for adapting to changing conditions.

“The public procurement process itself is now fully computerised, but in accordance with the government’s strategy for 2022–2030, our mission is to further develop this area,” explains Vlastimil Fidler, Director of the Department of Public Procurement Law. “We’ll focus, among other things, on improving the quality of data, ensuring the effective integration of the National Infrastructure for Electronic Public Procurement, and on increasing the efficiency of access to information on public procurement,” he adds, noting that the task is also to ensure compliance with the changing legislative and methodological environment, and with developing eGovernment – not only in the Czech Republic, but throughout the European Union. information on public procurement,” he adds, noting that the task is also to ensure compliance with the changing legislative and methodological environment, and with developing eGovernment – not only in the Czech Republic, but throughout the European Union. ■



Cohesion Policy

An agenda that affects us all. The relevant EU funds may have financed the modernisation of a railway in your region, renovated a hospital or school in your town, reconstructed a town square, or helped rescue a medieval mill in a neighbouring village. And the firefighters in your village can also most likely thank cohesion policy funds for new equipment.



Regional Development

Dynamic development of regions, cities, and municipalities by creating an innovative environment and promoting smart, integrated, and place-based approaches in regional policy. These are the ministry's main objectives. Their fundamental importance is clear since they chime perfectly with the ministry's *raison d'être*, given in its very name.



Tourism

Sustainability, resilience, and digitalisation are three aspects to which the Ministry of Regional Development subordinates its activities in the field of tourism. We want, among other things, to help promote changes in shared accommodation.



Public procurement and its computerisation

Reduced administrative burden with greater transparency and flexibility. This is a concise summary of the main benefits of computerising public procurement, which is one of the biggest challenges for the Ministry of Regional Development. If you have a small or medium-sized business, our activities will make it easier for you to access public procurement and open up new business opportunities.



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