



OECD Public Governance Reviews

CZECH REPUBLIC

**TOWARDS A MORE MODERN AND EFFECTIVE PUBLIC
ADMINISTRATION**



OECD Public Governance Reviews: Czech Republic

TOWARDS A MORE MODERN AND EFFECTIVE
PUBLIC ADMINISTRATION

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Foreword

Governments are increasingly faced with complex, multidimensional policy challenges that require whole-of-government coordinated responses across multiple sectors. They are also confronted by multiple, successive crises including the COVID-19, inflation pressures and Russia's war of aggression against Ukraine. In this new global context, governments need to strengthen their resilience to unexpected shocks, while also delivering on immediate priorities and long-term commitments, and ensuring the high quality and continuity of public services.

Prior to the current set of crises, the Czech Republic had managed to keep inequalities at a low level and citizens expressed a generally high satisfaction with the delivery of key public services. During the recovery phase of the COVID-19 crisis, the Czech Republic has, as in many OECD countries, had to weather the effects of the war in Ukraine that bears economic and social challenges, from inflation to energy insecurity and inflows of refugees putting additional pressure on social services and public finances. Decarbonizing and digitalising the economy remain major crosscutting challenges ahead for the country, despite recent efforts particularly in curbing greenhouse gas (GHG) emissions. Against this backdrop, increasing the effectiveness and modernising the public administration in the Czech Republic can enhance the quality of public services to citizens across the entire territory, encourage a more citizen-centred and digital administration and help address crosscutting challenges.

The OECD Public Governance Review of the Czech Republic assesses the capacities of the public sector and supports the government in engaging in ambitious public governance reforms under the aegis of its Public Administration Reform Strategy 2030, "Client-Oriented Public Administration 2030". The review points to priority areas for reform at the national and local levels that encompass citizen engagement, strategy and policy coordination, digitalisation, evidence-informed policymaking, civil service and the public administration at regional and local levels. The report also examines the COVID-19 governance arrangements and resilience to future shocks. Based on this analysis, it provides recommendations on promoting an inclusive, evidence-based, efficient and resilient approach to public governance at all levels of government. The recommendations aim to support the delivery of better results and services for citizens and reinforce citizen engagement and their trust in public institutions.

The evidence and data collected for this Review contributes to the OECD's broader programme of work on effective, innovative, fit-for-the-future and digitally-enabled government and citizens-centred services, and on reinforcing trust in government. The OECD stands ready to further support the Czech Republic's ambition towards a better public administration, notably through the implementation of the recommendations of the Review.

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Executive Summary

After a period of fast growth, the Czech Republic was hit by the COVID-19 crisis followed by Russia's war of aggression against Ukraine, as was the case for many OECD member countries. The country is facing as a result a number of headwinds with soaring inflation and cost-of-living, the refugee crisis, concerns around regional inequalities and the need to accelerate its green transition against persistently high carbon emissions. Trust levels in government and in the civil service stand significantly below the OECD average and satisfaction with public services is uneven. Public governance reforms, particularly governance arrangements to address crises and crosscutting challenges such as climate change and digitalisation and on enhancing the efficiency, agility and responsiveness of the public administration at central and local levels are instrumental to restoring trust in government, overcoming the effects of the recent crises and addressing future challenges.

The Czech Republic has developed a set of stable, firmly established governance frameworks, instruments and rules. The report finds, however, that the Czech Republic could further modernise and enhance the effectiveness of its public administration and public services to be fit for the current set of challenges. The Ministry of Interior has developed a public administration reform strategy (PAR), "Client-oriented public administration 2030" to modernise the public administration. The PAR covers crucial reform areas, such as enhancing the quality and accessibility of public services, improving the coordination, digitalisation, and capacities of the public administration and fostering citizen participation. However, its implementation has been hampered by a number of obstacles linked to shortcomings in whole-of-government coordination, limited capabilities across the administration and a lack of stewardship at the political level. The PAR and the present Review aim to support the Czech public administration develop governance arrangements, capabilities and instruments to address contemporary governance challenges, ranging from raising public sector efficiency, enhancing coordination at all levels of government and increasing citizen participation, to embracing the digital and green transitions.

Developing a citizen-centered administration and further engaging citizens is a crucial objective of the PAR. Islands of good practices in terms of citizen and stakeholder participation exist across the whole Czech central administration and at the local level. Notably, the country has a strong culture of creating advisory and working bodies that include different types of non-public stakeholders. However, existing participatory processes often lack impact and there is currently no overarching vision for citizen and stakeholder participation across the public administration. Moreover, participation is often limited to the "usual suspects" and guidance, co-ordination and sharing of good practices needs to be reinforced.

The capacity of the centre of government (CoG) to steer the response to crosscutting challenges, identify and implement government priorities and deliver on commitments is instrumental in addressing today's policy challenges. The lack of strategic steering and coordination capacities in the Office of the Government (OG), the main CoG institution in the Czech Republic, has led to the multiplication of strategies and priorities, generating challenges and shortcomings in their consistency and for their implementation. Further building capabilities and instruments in the OG on strategic planning, policy coordination, and guidance can enhance the consistency and alignment of national and sectoral strategies and policies.

Despite its importance – elevated at times of crises – evidence-informed decision-making (EIDM) in the Czech Republic needs strengthening, both at the political and civil servant levels, in order to make more informed policy choices that take into account the legitimate needs of citizens. Increasing analytical capacities, data sharing across the administration, more rigorous regulatory impact assessment (RIA) and ex post evaluation of policies and regulations, are necessary for EIDM to take hold in the Czech Republic. Developing analytical capabilities at the centre of government can also support more evidence-based policymaking based on strategic priorities. Several ministries and agencies have started closing these gaps but more systemic efforts are needed.

There are over 6 000 municipalities in the Czech Republic and 88% of them have fewer than 2 000 inhabitants, undermining policy coordination. This territorial fragmentation affects the efficiency of public services and investment at the subnational level not only because coordination among levels of government is difficult in this context, but also because municipalities, especially small ones, face strong capacity gaps. Stronger inter-municipal cooperation is therefore needed to foster the efficiency of investments and services, and ultimately improve citizens' well-being. This can be done by providing incentives to municipalities to encourage long-term and stable cooperation across the whole policy cycle. The Czech Republic can also benefit from placing greater focus on a place-based approach to subnational strategic planning, by encouraging cross-municipal joint planning, as well as improving inter-ministerial and multi-level coordination. A number of practices could be instrumental in this regard, including: promoting peer-exchange, developing assistance networks at the regional level, as well as tailoring the support to different groups of municipalities (e.g. large urban centres, small rural municipalities, etc.).

The Czech Republic has made digital government a national priority and has invested in the governance of digital government and several public policies to deliver better services to users. It is well-positioned to strive towards digital government maturity with a whole-of-government strategy supported at the highest political level. Nevertheless, it remains essential for the Czech Republic to enable the changes by strengthening the newly established governance for digital government, consolidating coordination and collaboration efforts and equipping the public sector with key policy levers to design and deliver public services for all users in the digital age.

The success of the Czech reform agenda will depend in part on the ability of the administration to attract and recruit people with the right skills. Improving the attractiveness within the recently revised legislative framework involves not only better employer branding, but a whole-of-government effort to revise and update the principles of recruitment/selection and people management – particularly when it comes to selecting senior leaders. A more strategic approach to learning and development would position the administration well to deliver on its ambitions, reinforced with more and better data to inform workforce management policies.

Finally, the effectiveness of these reforms will also depend on the public governance system's resilience in the face of current and future crises. During the COVID-19 crisis, the Czech Republic had a well-developed crisis management framework and activated its central crisis co-ordination and advisory unit, the *Central Crisis Staff*, and created *ad hoc* advisory bodies, such as the Council for Health. However, the government faced several governance challenges in the implementation of these frameworks, particularly on the coordination between these bodies, the lack of staff capacity on crisis management, the absence of centralised crisis management information systems, and the lack of consistent public communications channels and messages with key stakeholders and citizens. Initiatives have been launched to address those issues and should be pursued particularly in light of the ongoing crisis due to the war in Ukraine.

Overview of the Public Administration in the Czech Republic

This chapter provides the context for public administration reform in the Czech Republic, marked by the recovery from the COVID-19 crisis and the Russia's war of aggression against Ukraine along with long-term challenges linked to sustainable development and climate change. It provides a snapshot of the effectiveness of the public sector in the country, assessing its strengths and challenges, and identifying priority areas for reform. It also introduces and discusses current public administration reform efforts in the country particularly the Public Administration Reform Strategy (PAR): *Client Oriented Public Administration 2030*, and connects the PAR with the reform priorities and chapters of the present Review.

Introduction

The Czech Republic has engaged in long-standing efforts to reform its public sector; increase its effectiveness; and support the country's economic, social and democratic development. Through a series of reforms since the 1990s, marked by the Velvet Revolution in 1989 and the separation of the Czech and Slovak Federative Republic in 1993, it has developed a stable governance system with a central state administration and a “joint model” between the central and local levels, relying on firmly established governance arrangements, mechanisms and regulations for the central and territorial administrations (Ministry of Interior of the Czech Republic, 2004^[1]; Ministry of Interior of the Czech Republic and European Union, 2018^[2]). The Czech Republic's adherence to and integration into the European Union in 2004 also accelerated the transformation of the public administration by creating requirements and pressure for reforms towards a more modern and flexible administration. Most recently, the country has designed and is currently implementing a new public administration reform strategy, the Client-Oriented Public Administration 2030 (PAR), to further modernise and adapt the public administration to new governance developments and priorities, particularly on increasing citizen-centricity and making the public governance system more effective (Ministry of Interior of the Czech Republic, 2019^[3]). To support the PAR, the present context also highlights the need to be more resilient in the face of future shocks, including by reinforcing crisis management capacities, accelerating the digitalisation of and increasing the agility of the public administration. These reforms should help the Czech Republic improve citizens' well-being and their confidence in the public administration as well as to overcome the effects of the COVID-19 crisis.

This chapter offers an overview of the public administration in the Czech Republic, identifying its strengths and remaining challenges and how the PAR can contribute to addressing them. The current challenges faced by the administration and ongoing reforms to tackle them take place in a challenging global context marked by the post-COVID recovery and Russia's war of aggression against Ukraine. Both crises and their consequences impact on the economic and social development of the Czech Republic and on its governance arrangements and evolutions that will be studied across this review. This review starts by highlighting the current economic context, leveraging the results of the OECD Economic Survey (OECD, 2023^[4]), and how public governance reforms can support policy responses in the short and long terms. The following sections will provide a snapshot of the effectiveness of public administration, explore crucial building blocks of a sound public governance system, and look at its capabilities to respond to contemporary cross-cutting challenges, including the digital and green transitions.

The public governance review (PGR) is structured around a number of these public governance challenges which have been jointly identified with the Czech government, particularly the Ministry of Interior, which is in charge of public administration management and reform. Chapter 1 looks at citizen participation and how to further engage stakeholders in policymaking as a fundamental way to strengthen public trust. Chapter 2 focuses on the co-ordination led by the centre, particularly the Office of the Government, to help break down silos, align the whole-of-government around strategies and policy priorities, and best respond to cross-cutting challenges for the administration. Chapter 3 focuses on increasing capacities for evidence-based policymaking in the Czech Republic. Chapter 4 explores public administration developments at regional and local levels and its co-ordination across levels of government. Chapter 5 looks at the digitalisation ambition and progress of the Czech administration and how to improve the uptake of online digital tools and services. Chapter 6 explores human resources management in the Czech public administration and its current reform plans. Chapter 7 is a case study on COVID-19, with a focus on governance arrangements and regulations, providing a benchmark of the Czech Republic's responses compared to the experiences in OECD and non-member countries.

The Czech Republic experienced a robust period of economic growth that was cut short by the COVID-19 crisis and the uncertainties arising from the war on Ukraine

The Czech Republic experienced a period of strong economic growth in the years preceding the COVID-19 crisis, recording an annual increase of more than 3.5% on average between 2014 and 2019. Economic growth reached +3% in 2019, boosted by multiple factors, including domestic consumption, foreign direct investment and exports. Sustainable economic growth allowed the country to converge towards OECD average gross domestic production (GDP) per capita, with GDP per capita representing 93% of the OECD average in 2019, ten points more than 5 years earlier (83% in 2015) (OECD, 2020^[5]; OECD, 2023^[4]).

This convergence has helped the country fare well in many OECD well-being indicators, including jobs, education, safety and the sense of community. However, weaknesses were observed in health and civic engagement (OECD, 2022^[6]). The good economic performance of the Czech Republic has also contributed to the low level of inequalities in the country, with a Gini coefficient of 0.24 (after taxes and transfers), one of the lowest in the OECD (OECD, 2021^[7]). The employment rate was also high, at 75% of the working-age population, significantly above the OECD average of 69% (OECD, 2020^[5]).

The COVID-19 crisis interrupted this period of economic growth and hit the Czech Republic's economy and society hard. The number of infections (370 000 per million people) and deaths (3 700 per million) per inhabitant have been among the highest in Europe (Reuters, 2022^[8]). GDP slumped by 5.6% in 2020 due to the COVID-19 crisis, its related containment measures and subsequent adverse impact on household consumption and private investment (Ministry of Finance of the Czech Republic, 2021^[9]).

The country has been subsequently hit by several waves of COVID and is experiencing a sluggish and fragile recovery, like many other OECD countries. The country recorded its highest number of cases in November 2021 and January 2022, prolonging the effects of the crisis.

The war on Ukraine has further cast shadows on the Czech Republic's recovery prospects and added to inflationary pressures. The Czech economy entered a recession in the second half of 2022. According to the latest OECD Economic Survey, GDP growth for 2023 is expected to be close to zero due to global supply and energy constraints, low confidence from investors and consumers and rising prices. Inflation reached 17.5% in December 2022 compared to the OECD-EU average of 14.8% (OECD, 2023^[10]). The rise in inflationary pressures led the Czech National Bank to significantly tighten monetary policy. It hiked the policy interest rate from 0.25% to 7% between June 2021 and June 2022. As a consequence of the war, risks of disruptions in supply chains, particularly in the automotive sector, increasing prices of raw materials and difficulties with energy supply are creating uncertainties for the recovery (OECD, 2023^[4]).

The unemployment rate in the Czech Republic was low prior to the COVID-19 crisis, at 2% of the labour force in 2019, compared to the EU average of 6.8% and the OECD average of 5.4% (OECD, 2022^[11]). Labour shortages created tensions in the labour market for recruiting and retaining workers in several sectors, including the public sector. Unemployment surged during the pandemic but remained comparatively low at 2.5% of the working-age population in 2020 and 2.8% in 2021. Unemployment is expected to fall to 2.5% in 2022 and slightly increase to 2.6% in 2023 (OECD, 2022^[12]).

Although the crisis also had significant social effects on Czech society, in particular on the most vulnerable, the country ranks as one of the lowest in the OECD with respect to income inequality, with a Gini coefficient of 0.248 in 2019 versus the OECD average of 0.313 (OECD, 2022^[13]). The Czech Republic has the fourth lowest income inequality across OECD member countries before taxes and transfers and the second lowest after taxes and transfers (OECD, 2021^[7]). While the pandemic hit all sections of society, the Gallup World Poll revealed that the share of people reporting difficulties in getting by on their household income during 2021 remained lower in the Czech Republic than in other OECD countries, at 15% of women and 11% of men, compared to the OECD averages of 24% and 20%, respectively (Gallup, 2021^[14]).

The crisis-related challenges of sluggish growth rates, inflation, the impact on health and difficult access to public services have called for strong government responses to manage the crisis and support the recovery. The government implemented a series of lockdown and containment measures to limit the effects of the pandemic throughout 2020 and 2021 (Reuters, 2022^[8]) and used its fiscal manoeuvre to keep businesses and the economy afloat, in particular through the COVID-19 loan and guarantee programmes, tax deferrals, job retention scheme including income support, and its continuing support to help consumers and firms face increasing prices (OECD, 2020^[5]; Ministry of Finance of the Czech Republic, 2022^[15]). It has also increased public expenditures to support the health sector. The government has also accelerated the digital delivery of public services. It has activated its *Central Crisis Staff* and implemented new, *ad hoc* governance arrangements to address both the pandemic and Ukraine war crises. The response of the Czech government will be further examined in Chapter 7.

Public governance reforms can support growth-enhancing reform priorities relating to the economy, inequalities and the environment

Public governance reforms can support the Czech Republic in tackling growth-enhancing reform priorities and weathering the effects of the COVID-19 pandemic and the war on Ukraine. Governments are increasingly faced with horizontal, multidimensional challenges such as climate change, inequalities, digitalisation and demographic transitions. Public governance arrangements, capabilities and instruments are key levers to addressing such complex issues. Better government policy and strategic co-ordination can ensure more efficient and greater alignment and implementation of national and sectoral plans to reach strategic objectives in these areas. In particular, improving governance arrangements to address climate change can support better whole-of-government policy and strategy design and implementation towards decarbonising the economy. Better spending will be key to consolidating public finances while responding to the challenges of the recovery, further using, for instance, spending reviews to allocate expenditures better and spend them more efficiently. The continued digitalisation of the public administration and upskilling civil servants can also help deliver better services to citizens. Municipalities in the Czech Republic are implementing a number of policies and services, making inter-municipal co-operation a reform priority to improve the effectiveness of the public sector and support better policies across the different challenges faced by the country, including on productivity, the environment, and service delivery in social and economic areas.

The COVID-19 crisis and the war on Ukraine have created new, immediate economic and social priorities for the Czech Republic, including those supporting households and firms, increasing health expenditures, and dealing with new waves of refugees as highlighted by the recent OECD Economic Survey of the Czech Republic (OECD, 2023^[4]). The general government balance was estimated at -7.2% of GDP in 2021 after -5.6% in 2020, compared to a 0.3% surplus in 2019. The government has increased its support and expenditures to help households and firms during COVID-19 and in the current inflationary context (Ministry of Finance of the Czech Republic, 2022^[15]). Total health expenditures before the crisis were low at less than 7.5% of GDP compared to the OECD average of more than 9% (OECD, 2018^[16]). Increasing spending and new social measures are also needed to handle the influx of Ukrainian refugees (Ministry of Finance of the Czech Republic, 2022^[15]). The refugee crisis affects the capacities of the public administration on operational and policy levels to deliver public services in a number of areas, including social security, health, housing and immigration. It also weighs on national and local budgets.

The latest OECD Economic Survey underlines that the Czech Republic faces a number of long-term challenges for sustainable growth that the crises have accelerated, particularly on climate change, the labour market and productivity (OECD, 2023^[4]). A number of these challenges are underlined in the long-term Strategic Framework Czech Republic 2030. Tackling climate change remains an important issue for the country and calls for decarbonising the economy. The Czech Republic is one of the most carbon-intensive economies in the OECD due to its reliance on coal and its industrial base. The country was emitting 318 kg of CO₂ per USD 1 000 of GDP, above the OECD average (244 kg) and that of neighbouring

countries, including Poland (303 kg), the Slovak Republic (193 kg) and Hungary (180 kg) (OECD, 2018^[16]). Greenhouse gas (GHG) emissions per capita remain above the OECD average and have been stagnating in recent years. More than three-quarters of the population is exposed to harmful air pollution, with virtually the entire population exposed to PM_{2.5} (OECD, 2021^[17]).

The labour market remains tight and generates labour shortages, calling for more active labour market policies and upskilling (OECD, 2023^[4]). The ageing population remains a challenge both for increasing labour market participation and for containing public expenditures (OECD, 2021^[17]; 2020^[5]). Raising productivity constitutes one of the Czech Republic's long-standing economic challenges. Promoting research and innovation and digitalising the economy and upskilling the labour force can help address this. To address labour shortages, employers in the Czech Republic have also increasingly looked for migrants and workers from abroad, but the conditions for labour market mobility for highly skilled workers could be more conducive (OECD, 2023^[4]).

Although the Czech Republic displays an overall low level of inequality as measured by the Gini coefficient, there are inequalities across regions on topics such as income, poverty level, investment levels, access to public services and connectivity (OECD, 2020^[5]). The high number of municipalities and their fragmentation is an important element of explanation of these inequalities and constitutes a critical feature of the governance and public administration system in the Czech Republic. Territorial inequalities thus remain an important agenda item in the country, as will be examined in Chapter 4.

The Czech National Recovery Plan should help address part of those priorities, so should the Recovery and Resilience Plan (RRP). The RRP aims to support the green and digital transition in the country and includes large investments in climate change (42% of the total plan), digitalisation including digital skills and services (22%), and priority areas such as education and the labour market (Ministry of Finance of the Czech Republic, 2021^[18]; European Commission, 2021^[19]).

Reforming public administration and governance in the Czech Republic

As many OECD countries that have long-term strategic documents going beyond the mandate of one government, the Czech government adopted the Czech Strategy Framework 2030 ("Czech Republic 2030") in 2017. This framework constitutes the reference long-term strategy for the country with an emphasis on sustainable development. It was prepared through an extensive participatory process by the Office of the Government with the Council for Sustainable Development (Government of the Czech Republic, 2017^[20]). It has also led to the development of a number of sectoral and thematic strategies with the same time horizon and that refer to Czech Republic 2030. This includes the Public Administration Reform Strategy 2030 which connects the reform of the public administration with Czech Republic 2030 and its "Good Governance" component (Ministry of Interior of the Czech Republic, 2019^[3]).

The Czech Republic has defined a long-term national strategy that makes good governance a priority in fostering the country's sustainable development

Czech Republic 2030 aims to foster the country's sustainable development and builds a vision for the country in 2030. This vision underlines the importance of the values and principles of democracy, equality and cohesion, quality of life, environment, and resilience. The strategy replaces the 2010 Strategic Framework of Sustainable Development. As the document underlines, it provides a basic framework for all strategies in the country while not substituting them. It connects with the United Nations Sustainable Development Goals and other global agreements, including the Paris Agreement on climate (Government of the Czech Republic, 2017^[20]).

"Good governance" has been identified as a key area to promote sustainable development in the country. The document links governance reforms with a healthy democracy, particularly through participation and

representation. This approach is in line with the OECD's Reinforcing Democracy Initiative (OECD, 2022^[21]). Voter turnout is below 70% in OECD countries on average, reflecting some dissatisfaction and disenfranchisement with democratic systems, and the recent OECD Trust Survey that citizens expect the public administration to be more representative of their interests and needs, as well as to further engage them in decision-making (OECD, 2022^[22]).

Building on the importance of good governance, Czech Republic 2030 outlines a number of strategic challenges related to the lack of co-ordination, long-term vision and citizens' involvement in public life; decreasing democratic participation; and limited innovation in the public service and in the governance system (Government of the Czech Republic, 2017^[20]).

The 2030 strategy calls for a more "human-centric" administration and develops a vision that echoes current challenges and reform priorities identified by the PAR and covered in this report. This includes establishing a "resilient, flexible and inclusive" decision-making system and improving policy co-ordination and coherence, which calls for: (i) strengthening the role of the centre-of-government (CoG) and for interministerial co-ordination mechanisms; (ii) opening the possibilities for citizens to express their views about public affairs, which relates to the need to increase citizens' engagement and participation; and (iii) making the public administration efficient, transparent and accessible (Government of the Czech Republic, 2017^[20]). Better policies and strategies also require improving the use of evidence and data and developing impact assessment tools, such as regulatory impact assessments (RIAs). Furthermore, the strategy encourages the administration to embark on the digital transformation and further digitalise public services. While the strategy has a separate section on regions and municipalities, the "good governance" priority also highlights the need to increase vertical co-ordination and promote exchanges between central and local levels. Developing capacities, expertise and skills are also at the centre of the good governance component and are linked to enhancing competencies in the public administration, including by attracting and retaining talents.

The central government's mandates, competencies and management are broadly defined in the Competency Law and the Civil Service Act

The central government's mandates and competencies were established through the Act No. 2/1969 Coll., on Establishment of Ministries and Other Central Authorities of the State Administration of the Czech Republic ("the Competency Law") (Government of the Czech Republic, 1969^[23]; Ministry of Interior of the Czech Republic, 2004^[1]). The law sets the mandate of the ministries' and Government Office's work areas as well as the decision-making and co-ordination principles. However, those are rather vaguely defined and have been complemented by Rules of Procedures since 1998, particularly on the preparations of government meetings that have been updated over time (Government of the Czech Republic, 2022^[24]). The establishment and development of interministerial councils, mainly through decrees, have also helped facilitate co-ordination and address cross-cutting topics.

The Competency Law has been amended a number of times since its adoption, with the last amendment by Act No. 284/2021 Coll. These amendments have mostly dealt with the creation of new institutions that were assigned specific competencies, such as the Office for the Protection of Competition or the National Sports Agency. However, the law has remained a rigid framework that does not fully reflect the evolution and interrelations of government activities to allow the needed levels of flexibility and agility of the public administration, particularly to address cross-cutting, collaborative topics. In particular, the Competency Law very broadly defines the role of the Office of the Government, focusing on its administration and logistical activities, which has undermined its legitimacy and convening power to steer and carry out horizontal activities in a number of cases. It does not define the co-ordination and strategic alignment roles usually ascribed to centres of government. The law has also generated issues of coherence and efficiencies in the action of ministries, which have a strictly defined perimeter, while government priorities and activities evolve with the global and national context. New topics have emerged or gained importance,

such as citizen participation, crisis management, digitalisation and climate change, in recent years, which usually require horizontal co-ordination between ministries and where roles and responsibilities are not always clearly assigned by the law. Citizen participation, for instance, currently lacks leadership and guidance from the centre or a specific government institution. These issues will be further analysed in Chapters 1, 2 and 7.

To enhance and harmonise the civil service's performance and practices, the Czech Republic first adopted Act No. 218/2002 Coll., on the Service of Civil Servants in the Authorities and on the Remuneration for the Servants and Other Employees in the Authorities in 2002 but it never fully came into effect. The country finally adopted Act No. 234/2014 Coll., on Civil Service ("Civil Service Act") in 2015. The Czech Republic was the last European Union (EU) country to adopt legislation regulating public human resource management at the central level. The act does not cover the local public service, which is regulated through the Act on Officials of Territorial Selfgoverning Unit adopted in 2002. The country adopted amendments to the Civil Service Act in November 2022 that came into force in January 2023 and focused on simplifying and accelerating recruitment procedures in the civil service and improving access to and mobility within the senior leadership. The situation of and challenges for the civil service will be addressed in Chapter 6.

The Czech Republic has a firmly established "joint model" of governance that relies on several acts related to local government and a series of reform initiatives since 1990

Over time, the Czech Republic has established a so-called "joint model" of governance. At the core of the model lies the fact that local self-governing units exercise their own competencies as well as delegated powers and competencies that are transferred to them from the central government (Ministry of Interior of the Czech Republic, 2004^[1]). The Czech Republic has thus developed a largely decentralised model of governance in which regions and municipalities perform their own and delegated powers.

A number of acts underpin the joint model and have been passed over the years, establishing a two-tier system of territorial self-government and defining the competencies of regions, municipalities and self-government units (Ministry of Interior of the Czech Republic and European Union, 2018^[2]).

The joint model of public administration was developed through several phases and acts that establish new regions, municipalities and their competencies (Box 1). The country now has 14 regions and more than 6,000 municipalities. The high number of local self-governing units makes the governance system very fragmented at the local level. A number of bodies have been established to support the horizontal and vertical co-ordination of the different levels of government. For instance, the Ministry of Interior co-ordinates the state administration at the central and local levels. The joint model and the co-ordination challenges it raises for the public administration with the central level, such as "departmentalism", and between the different local levels will be further studied in Chapter 4.

Box 1. The development of territorial administration in the Czech Republic: Key legislation

Constitutional Act No. 347/1997 Coll., on the Establishment of Territorial Self-Governing Units (Regions) and on the Amendment of the Constitutional Act of the Czech National Council No. 1/1993 Coll., the Constitution of the Czech Republic created 14 regions. Act No. 129/2000 Coll., on Regions further established the model of joint administration with the organisation and competencies of regions.

While municipalities were re-established by the Act on Municipalities (Act No. 367/1990 Coll.), Act No. 314/2002 Coll., on Determination of Municipalities with Authorised Municipal Office and Municipalities with Extended Powers and Act No. 128/2000 Coll., on Municipalities defined different types of municipalities and their competencies (see Chapter 4). The capital city of Prague is defined separately by the Act on the Capital City of Prague.

Source: Ministry of Interior of the Czech Republic (2004_[1]).

The Czech Republic has designed an ambitious public administration reform agenda

The Czech Republic has carried out a series of major administrative reforms since the Velvet Revolution in 1989. The first reforms were driven by the end of the Communist party's centralised rule; the re-establishment of separate high-level executive, legislative and judicial authorities; and the restoration of democratic values in political and public life as reflected in the Charter of Fundamental Rights and Freedoms (Ministry of Interior of the Czech Republic, 2004_[1]; European Commission, 2020_[25]). The Constitution of the Czech Republic came into force in 1993, preparing the establishment of a new governance system before the separation from the Slovak Republic and enshrining the role of the parliament, the president, the government, the court system and territorial self-government as well as fundamental democratic principles (Parliament of the Czech Republic, 1993_[26]). The accession process and the integration into the EU further pushed administrative reforms in the Czech Republic to enforce the *acquis communautaire* at central and local levels and to increase administrative capabilities. Successive reforms of the territorial administrations have led to the establishment of regions, municipalities, and the transfer of competencies from the central government to regions and municipalities (Ministry of Interior of the Czech Republic, 2004_[1]). These reforms on territorial administration were carried out in two phases, first with the introduction of regions (13 plus Prague) (1996-2000), then with the establishment of municipalities with extended competencies and regional offices (2002) (Ministry of Interior of the Czech Republic and European Union, 2018_[2]).

As a third series of central administration reforms, efforts were carried out to improve its effectiveness through a series of plans, “Phare” projects and acts, notably the 2004 central state administration modernisation strategy¹ (Ministry of Interior of the Czech Republic, 2004_[1]). These reform efforts were supported by working groups on public administration reform, with, most recently, the creation of the Council for Public Administration in 2014 (Government of the Czech Republic, 2014_[27]). Unfortunately, some of these plans were developed but not systematically approved by the government and ultimately never fully implemented. As a result, they failed short of delivering on their promises.

Along with the Civil Service Act and the Smart Administration Strategy, the Strategic Framework for the Development of Public Administration in the Czech Republic for the Period 2014-2020 was an important turning point for public administration reform. Linked to the conditionality of EU funds, this strategic framework received government approval and helped achieve progress in modernising the public administration in areas such as reducing administrative burdens, transparency, digitalisation and evaluation practices. The evaluation of the implementation of the strategic framework, conducted in 2020, underlined that challenges remained for improving the efficiency of the administration's structure, including

in fostering co-ordination and breaking “silos”, enhancing the attractiveness and competencies of the public administration, and improving communication and engagement with citizens, among others (Ministry of Interior of the Czech Republic, 2020^[28]).

The PAR constitutes the latest of these public administration reform efforts, replacing the 2014-2020 Strategic Framework that was unsettled. Approved by the government in 2020, the PAR - Public Administration Reform Strategy 2030 (*Client-oriented Public Administration 2030*) - defines a vision for the public administration in 2030 and includes a number of strategic objectives and a list of detailed actions to implement them (Ministry of Interior of the Czech Republic, 2019^[3]) (summarised in Table 1).

The Ministry of Interior and its Council for Public Administration, which has a dedicated working group on the PAR, lead the design, steering and implementation of the PAR. While CoGs in OECD countries are very often involved in leading, promoting and monitoring public administration reform, this role is devoted to the Ministry of Interior in the Czech Republic. The CoG (the Office of the Government) has a limited role in steering and promoting the strategy. This strategy will be further examined in Chapter 2.

Key priorities of the PAR are broadly aligned with public administration reforms in OECD countries and cover topics such as citizen engagement, digitalisation and civil service. Many of these priorities follow the Strategy 2030 of the Czech Republic on good governance, underlining the consistency across the two documents. While the PAR was prepared before the COVID-19 crisis, most of these priorities appear to remain valid in the present recovery context as global governance priorities have further emerged on embracing the digital transition, increasing citizen engagement and reinforcing democracies. The importance given to enhancing governance arrangements and making them more efficient, including the revision of the Competency Law and local and inter-municipal co-operation, is a distinctive feature of the PAR.

A new government was appointed following Parliament elections in October 2021 and issued a Policy Statement of the government that was approved in January 2022. The Policy Statement of the government covers several areas of public governance but does not refer directly to the PAR, nor it includes all its key priorities (Table 1) (Government of the Czech Republic, 2022^[29]; Ministry of Interior of the Czech Republic, 2019^[3]). The Policy Statement calls for a “smart, efficient and economical (cost-effective)” state and puts an important emphasis on public finance; the digitalisation of government; and a modern, citizen-centric, data-driven and skilled administration. The PAR and the Policy Statement recognise the importance of maintaining the joint model of public administration and increasing vertical co-operation. Improving the governance of the government digitalisation and accelerating the digitalisation of services is also a shared priority. The user-centric priority of the Policy Statement is in line with the keys driver of the PAR, i.e. developing a user-centric administration, and both call for modernising the administration. This includes, for instance, enhancing the access, delivery and monitoring of public services, as well as improving communication with citizens.

Table 1. The Client-Oriented Public Administration 2030 and the Policy Statement of the government

Public administration reform strategy 2030		Policy Statement of the government (2022)	
Strategic objectives	Key reforms	Key priorities	Selected key measures
Accessible and quality public services	<ul style="list-style-type: none"> Improve the quality of public services Ensure optimal availability of services 	<ul style="list-style-type: none"> Modern public administration: the public administration must be available both in the territory and through digital services Digitalisation 	<ul style="list-style-type: none"> Implement the catalogue of public administration services and the plan for their gradual digitalisation Ensure that public administration portals follow a user-friendly uniform standard Digitalise services mentioned across sectors (health, education, etc.)
Efficient public administration	<ul style="list-style-type: none"> Strengthen the public administration's management and co-ordination mechanisms, particularly by means of a new Competence Law Improve the legal environment Streamline control mechanisms in the management of public funds Streamline co-operation between municipalities Create an environment that supports innovation and develops artificial intelligence and automation 	<ul style="list-style-type: none"> Modern public administration Digitalisation: unification and digitalisation of state processes to make the state work effectively through modern technologies Regional and local development 	<ul style="list-style-type: none"> Maintain a joint model of public administration Through the government's Regional Policy Committee, ensure effective co-ordination across all ministries and improve government co-operation with regions and municipalities Unify and co-ordinate inspection bodies' activities and reduce the control-related burden on municipalities and regions Strengthen functional co-operation at the level of metropolitan areas Improve the functioning of small municipalities and improve inter-municipal co-operation
Efficient public administration institutions	<ul style="list-style-type: none"> Better use of evidence-based policy- and decision-making process Better use of systemic approaches to quality management and further improve quality management Improve the application of the principles of sustainable development Emphasise the importance and increase the quality of the implementation of strategic management Unify the quality of project management processes across the state administration 	<ul style="list-style-type: none"> Modern public administration 	<ul style="list-style-type: none"> Introduce measurements of the performance and efficiency of state (public) services using benchmarking similar to that of private companies Include a strong central authority with the necessary competence in the field of ICT Accelerate the open data process and the updating of open data of all public administration offices
Competent human resources	<ul style="list-style-type: none"> Improve the knowledge and skills of elected representatives of self-governing units Improve the knowledge and skills of local government officials Enhance the quality of training in the state administration 	<ul style="list-style-type: none"> Modern public administration Digitalisation 	<ul style="list-style-type: none"> Reduce the number of civil service positions Amend the Civil Service Act Increase the expertise and personnel capacities of central offices for the implementation of transforming digital process
Informed and engaged citizens	<ul style="list-style-type: none"> Improve the public administration's communication with the public Raise awareness of the possibilities for citizen participation in public events; facilitate these opportunities 	<ul style="list-style-type: none"> Digitalisation Public finances Health 	<ul style="list-style-type: none"> Support a pro-client approach of the Financial Administration Create a generally respected and understandable expert authority that will formulate expert opinions (on health) Create a mobile application for the Citizen's Portal which will gradually simplify communication with the state Accelerate the open data process and the updating of open data at all public administration offices

Source: Author's analysis based on Ministry of Interior of the Czech Republic (2019^[33]) and Government of the Czech Republic (2022^[29]).

However, the Policy Statement and the PAR adopt different approaches for making the administration more efficient and engaging citizens. The Policy Statement includes measures on systematisation, which aimed to “reduce the number of civil service positions” (Government of the Czech Republic, 2022^[30]). The PAR focuses on improving the effectiveness of the administration by improving services, skills, processes and digitalisation. Like the PAR, the Policy Statement aims to amend the Civil Service Act to make the civil service more efficient but focuses on opening up civil services and revising pay grades rather than increasing internal capabilities, skills and training, as the PAR does. The PAR also considers improving the functioning of public institutions and the overall governance system as a way to make institutions more efficient, including by reforming the Competency Act, and increasing citizen engagement as top priorities, whereas they are barely covered, if at all, in the Policy Statement beyond the digitalisation angle. While both documents promote a more citizen-centric approach, the Policy Statement suggests introducing different tools and institutions to communicate with citizens but does not foresee increased citizen engagement in service design or policymaking, contrary to the PAR. A systematic approach to promoting citizen engagement is generally lacking in the Czech Republic, as Chapter 1 notes.

The limited connection between the Policy Statement and the PAR might also indicate a lack of political momentum for the PAR and wider public administration reform. The Council for Public Administration and the Ministry of Interior are in charge of such a reform agenda; however, they have had limited influence so far for bringing these topics to the government reform agenda beyond civil service reforms. In particular, the Council for Public Administration has not taken decisions or issued key, high-level statements on major public administration reform measures based on the PAR. This could have been useful to steer and support its implementation across the administration and encourage the new government and the CoG to endorse the PAR and its key measures.

The government has started to implement a number of governance reforms since the beginning of its mandate in line with its Policy Statement, notably on preparing and submitting amendments to the Civil Service Act, and creating a Deputy Minister for Digitalisation in the Government Office to co-ordinate the digitalisation agenda. It is also conducting governance arrangement reforms that were not explicitly included in the Policy Statement, for instance through the creation of new entities in the Office of Government, including strategic and analytical units. These latter reform efforts could help increase the strategic capabilities of the CoG and its steering role on horizontal topics. These evolutions will be examined in Chapter 2.

Public sector effectiveness

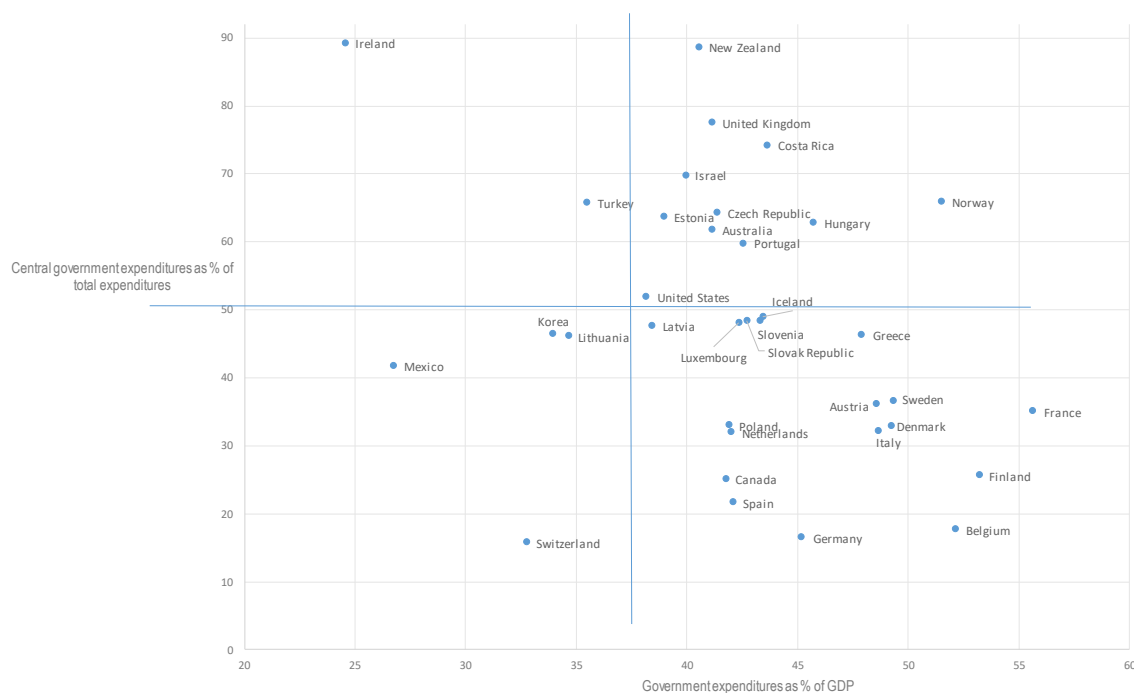
Increasing the effectiveness of the public administration has been a key objective of the Czech government and is mentioned in all key strategic documents, including Czech Republic 2030, the PAR and the Policy Statement. The Policy Statement aims to develop an “efficient, modern and professional public administration” and make “the state more effective through modern technologies”. The PAR’s main priority is making the public administration client-oriented; its strategic objectives include “efficient system of public administration” and “efficient public administration system”. This section provides insights into the overall effectiveness of the public administration in the Czech Republic looking at five key dimensions: 1) productivity; 2) responsiveness; 3) agility; 4) inclusiveness; and 5) resilience.

Productivity: The size of the Czech Republic’s public sector stands below the OECD and EU averages both on general government expenditure and employment

As measured by the level of general government expenditure and employment, the size of the Czech public administration appears relatively moderate, below EU-OECD averages² and within the lowest range of EU member states.

General government expenditure in the Czech Republic has markedly increased, from 41.4% of GDP in 2019 to 47.2% in 2020, to mitigate the effects of COVID-19 (Ministry of Finance of the Czech Republic, 2021^[18]; OECD, 2021^[7]). The pre-crisis level of expenditure was slightly above the OECD average of 40.8% of GDP in 2019 and significantly below the EU-OECD average of 46.6%. The increase during COVID-19 also remains below the average increase in EU-OECD member countries that averaged 7 percentage points of GDP between 2019 and 2020. General government expenditure per capita also remains below the OECD and EU-OECD averages (OECD, 2021^[7]). This puts the Czech Republic among the lowest share of expenditure in the EU with relatively low levels of spending. At 65% of total expenditures, the level of central government expenditures in the Czech Republic positions it in the group of countries where government is relatively centralised and is markedly above the OECD average of 41.3% (Figure 1) (OECD, 2021^[7]). Local expenditures in the Czech Republic are less than the OECD average for state and local governments, which represent 38.8% of total expenditures and the EU-OECD average at 30.8% (with the remainder spent on social security funds). This can be explained by low subnational government investment at 42.3% of total public investment in 2020, below the OECD and EU averages (54.6% and 54.4% respectively in 2020). Despite its joint governance model, expenditures appear to remain rather centralised in the Czech Republic. The funds provided by the EU RRP will also support higher levels of expenditure in the years to come.

Figure 1. Size of government and level of government expenditure



Note: The blue lines represent the OECD average.

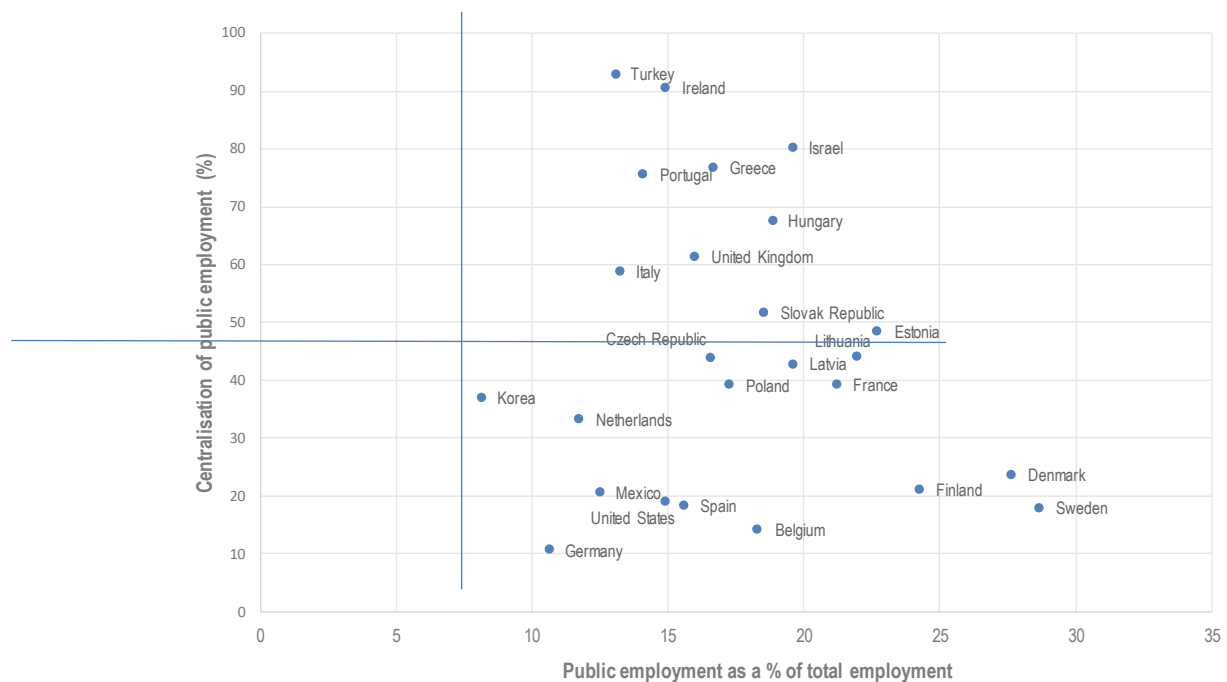
Source: Authors based on OECD (2021^[7]).

General government employment in the Czech Republic is significantly lower than the average OECD country, 16.57% of total employment versus 17.91% (OECD, 2021^[7]). EU data also show that the share of government employees in the Czech Republic is in line with the EU average and has been stable over the past 20 years. This share is lower or equivalent to that of its neighbouring countries, including Hungary (18.86%), the Slovak Republic (18.52%), Poland (17.25%) and Austria (16.67%) (Eurostat, 2020^[31]; OECD, 2021^[7]). Employment in the public administration is rather decentralised, with 55% of employees

working at the local level, which is in line with the OECD average. (OECD, 2021^[7]). This can be explained by the high number of municipalities in the country that employ staff and deliver public services. However, the average number of employees per government unit remains very small with lower salary levels for smaller municipalities (see Chapter 4). In terms of public employment structure, this positions the Czech Republic close to Poland or the Slovak Republic but quite far from decentralised states like Sweden, Norway or Denmark or very centralised ones like Ireland and some Mediterranean countries (Greece and Portugal) (Figure 2).

Production costs of goods and services by the government reached 24.9% of GDP in 2020, below the OECD-EU average of 25.7%, with compensation for employees representing around 45% of total production costs, slightly above the OECD-EU average (42.6%) (OECD, 2021^[7]). They have increased during the COVID-19 crisis to handle the increased challenges of service delivery and decreased to 24.6% of GDP in 2021, still below the EU-OECD average (25.12%). Production costs were stable in the Czech Republic in the decade before the crisis, with an average of 22.7% of GDP, below the EU-OECD average of 24.1% (OECD, 2022^[32]). General government outsourcing is less commonly used in the Czech Republic than the OECD-EU average, especially the outsourcing of goods and services directly provided to citizens, despite an increase in 2020.

Figure 2. Scope of government and public employment



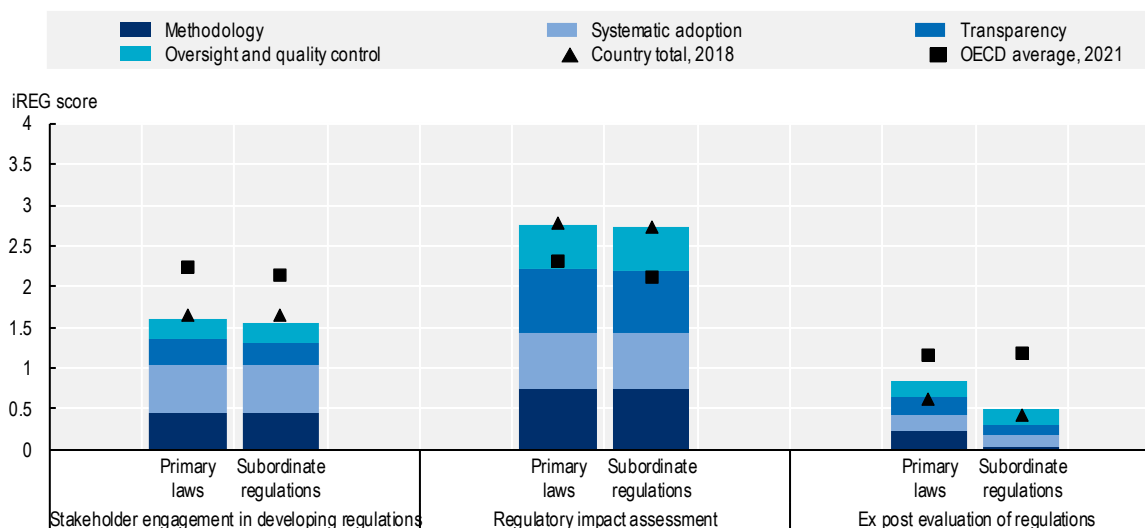
Note: Blue lines represent the OECD average.

Source: Authors based on OECD (2021^[7]).

Regulatory effectiveness can support more productive and efficient public administrations through the use of robust, transparent and evidence-based laws, regulations and other legal instruments. In particular, the design, enforcement and revision of regulations are crucial to providing essential services, fostering innovation, and supporting transparency and trust (OECD, 2021^[33]). The COVID-19 crisis has underlined the need for emergency regulations and the instrumental role regulations play in the lives of citizens. The Czech Republic lags behind the OECD average on stakeholder engagement in developing regulations and *ex post* evaluation (Figure 3). While the formal process for RIAs is well designed *de jure*, the *de facto*

implementation still suffers from some deficiencies. According to the evaluation carried out by independent think tanks (e.g. *České priority*), RIA is often not carried out due to many exemptions, many RIAs are done only formally or are of low quality, and the regulatory oversight body (RIA Board) has only very limited influence over the quality of RIAs.

Figure 3. Indicators of Regulatory Policy and Governance (iREG): Czech Republic, 2021



Notes: The more regulatory practices, as advocated in the OECD Recommendation of the Council on Regulatory Policy and Governance, a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and regulatory impact assessment for primary laws only cover those initiated by the executive (45% of all primary laws in the Czech Republic).

Source: Indicators of Regulatory Policy and Governance Surveys 2017 and 2021, <http://oe.cd/ireg>.

There is an overall lack of analytical capacities for evidence-based policy and regulation making in the administration. Monitoring and evaluation are carried out for most strategies and policies, including very often annual reports and discussions through dedicated working groups; however, results are rarely used to influence future documents or adjust actions. Evaluation of the effectiveness and efficiency of existing regulations usually takes place on an *ad hoc* basis and is used rather rarely. The Czech Republic has published guidelines on *ex post* evaluation for officials, though they are still considered voluntary, but should be made more systematic in the future (OECD, 2021^[33]). Strengthening processes and capacities for evidence-based regulation making, including RIA and reviews of existing regulations, is one of the new government's priorities. Establishing a government analytical unit focusing on RIA could support the development of government capabilities in this regard and will be discussed in Chapter 3.

Responsiveness: Satisfaction with public services is in line with OECD averages, but shortcomings remain in citizen-centricity, quality and access across the country

The responsiveness of public services to users' needs is a critical dimension of public sector effectiveness and a user-centric public administration. This also involves engaging citizens in the design of services to ensure that the services correspond to their needs.

Czech citizens expressed general satisfaction with the delivery of key public services before COVID-19. The Gallup World Poll indicates that more than 81% of citizens reported that they were satisfied with the police, 75% with health and 71% with education, which are all above the OECD averages (OECD, 2021^[7]). Regarding the judiciary, the 2021 local poll conducted by the Public Opinion Research Centre on citizens'

trust in selected public institutions shows that 62% of citizens trust courts, a trend that has been increasing recently (Public Opinion Research Centre, 2021^[34]).

Citizens' overall satisfaction with public services appears to match Czech citizens' relatively good access to those services at the national level (education, health, justice) (OECD, 2021^[7]). As far as health is concerned, out-of-pocket payments as a share of total health spending were, for instance, low at 15% in the Czech Republic and below the OECD average of 20% as well as less than that of its neighbours (Austria, Hungary, the Slovak Republic) in 2018. Fewer people did not see their healthcare needs taken care of since the start of the pandemic than the average of OECD-EU countries. Education is also relatively easier to access than in the average OECD country. Enrolment rates at age 3 and 4 in early childhood and pre-primary education in the Czech Republic are in line with the OECD average, and the share of private expenditure on education after transfers as a share of total spending on education is also higher than the OECD average at all three education levels (primary, secondary and tertiary). People can access and afford civil justice in the same proportions as in the average OECD country and countries like France and Poland (OECD, 2021^[7]).

However, the effectiveness of the Czech administration in serving citizens seems to vary depending on the service, according to the OECD Serving Citizens Framework, though more detailed assessments are required (OECD, 2021^[7]). The quality and responsiveness of services remain moderate, particularly in health and education. The Czech Republic ranks in the bottom half of OECD countries on most available indicators on the quality and responsiveness of healthcare services. For instance, the country ranks 26th for diabetes hospitalisation and 28th for 30-day mortality following hospitalisation due to a stroke (OECD, 2021^[35]). Regarding education, the 2018 OECD Programme for International Student Assessment (PISA) ranks the Czech Republic slightly above the OECD average in mathematics and science and around the average in reading, but several issues related to equality and performance remained. Important variations were observed between advantaged and disadvantaged students in reading and, to a lesser extent, in mathematics and science; the trend in performance has been fluctuating in mathematics and declining sharply in science over the past decade. In addition, school principals in the Czech Republic reported higher staff and material shortages than the OECD average (OECD, 2018^[36]). Against this background, the Ministry of Education, Youth and Sports reports that the number of teachers has considerably increased by 15%, along with their salaries (+50%) in the past five years (Ministry of Education, Youth and Sports of the Czech Republic, 2020^[37]).

Regions and municipalities in the Czech Republic have wide-ranging responsibilities in service delivery, such as education, health, utilities, social protection and economic affairs. Discrepancies in the capacity and resources to deliver services can be observed across regions and municipalities, pointing to potential gaps and differences in the level and quality of service delivery (OECD, 2020^[5]). Significant gaps in funding the same education activities across regions have been observed as well as concerns about the lack of resources and efficiency of smaller schools (OECD, 2021^[35]). Health resources also differ considerably across regions, with better-endowed regions (excluding Prague) recording 50% more hospital beds and active physicians per capita than least-endowed regions. Accessibility to services has, for instance, been reported to be lower in the northern part of the country compared to the centre and other regions of the country (OECD, 2021^[38]). The country appears to lack indicators to further assess and monitor regional and municipal disparities in service delivery (OECD, 2020^[5]).

While citizens' satisfaction with these key public services is high, their satisfaction with administrative services, especially at the local and municipal level, was measured by the Czech administration during the COVID-19 pandemic and was reportedly significantly lower, with less than 15% of citizens satisfied with services provided by local offices (Ministry of Interior and European Union, 2020^[39]). As part of a survey on the "Satisfaction with the state of selected areas of public life", only 30% of citizens expressed their satisfaction with the functioning of public authorities. While these results are certainly influenced by the COVID-19 challenges for the administration to deliver services to citizens, they also call for improvements

in the design and delivery of administrative services and the overall interaction between citizens and the public administration. Citizen participation will be further examined in Chapter 1.

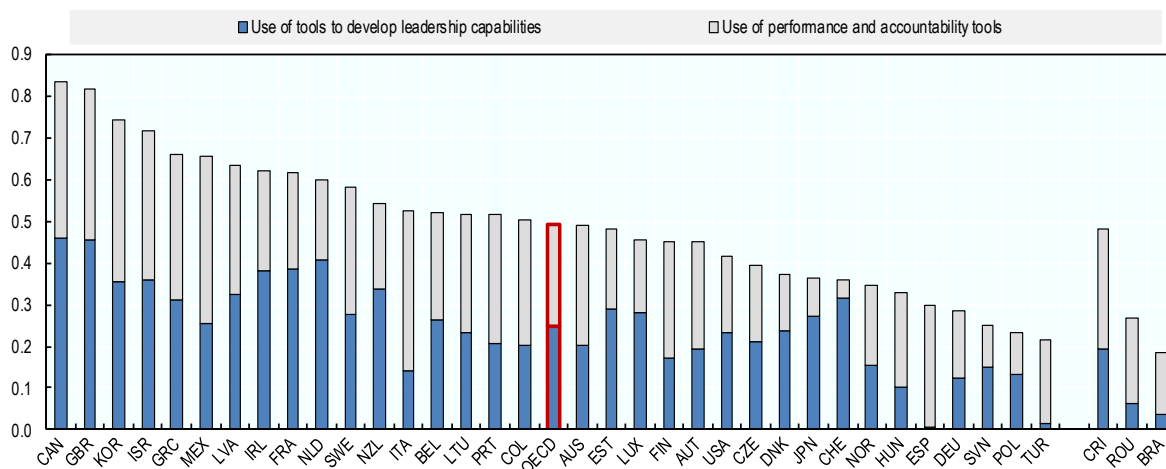
Agility: The Czech Republic has developed co-ordination mechanisms to address horizontal priorities, but their structure relies heavily on the Competency Law, creating rigidities

The Competency Law defines the mandate and competencies of the different government entities, thus creating a stable and shared framework for the administration. The role of the centre of government, represented by the Office of Government, is, however, vaguely defined and does not necessarily empower the Office of the Government to carry out key functions on strategic co-ordination and planning for the whole-of-government, leaving the capacity to further define and enforce its role to incumbent governments. In this context, the proliferation of cross-cutting topics for governments over the past decades – climate, inequalities, energy – have called for increased agility in the government’s capabilities to navigate and respond to them in an effective and co-ordinated manner. While in many OECD countries CoGs are taking a leading role in steering and co-ordinating horizontal initiatives thanks to their central location and convening power, this has not been the case recently in the Czech Republic, with the Office of the Government experiencing a decreasing co-ordination role. In addition, the legislative and political difficulty to revise and amend the Competency Law on horizontal, strategic and co-ordination functions, particularly related to the Office of the Government’s role, has created rigidities in the government’s capacity to address new challenges and revise the scope of ministries’ activities and mandates to make them more effective and aligned with the incumbent government’s objectives. This tends to limit the government’s capacity to implement appropriate organisational changes to identify and tackle emerging challenges and trends. Plans to amend the Competency Law have been included in the PAR but have not been translated into action at this stage. This challenge will be further discussed in Chapter 2.

Flexibility to co-ordinate and address horizontal topics has been introduced in the public governance system with the development of interministerial advisory and working bodies that bring together ministries and other players on cross-cutting issues. The role of these councils varies considerably, however, depending on their location under the Office of the Government or under line ministries. The lack of convening power or capabilities of some of these councils, or their insufficient integration into decision-making processes, make the whole-of government work and alignment on horizontal topics more difficult. This topic will be analysed in more detail in Chapter 2.

The capacity, drive and quality of senior leadership is essential to adapting governance structures, organisation and measures in the face of new challenges and crises. The Czech Republic ranks in the bottom third of OECD countries in the management of its senior civil servants as measured by the OECD Index on Managing the Senior Level Public Service (Figure 4). The country seems to lack tools to recruit and identify senior-level civil servants compared to other categories of civil servants, and to manage and reward their performance. The management of senior civil servants will be examined in Chapter 6.

Figure 4. OECD pilot index: Managing the senior level public service, 2020



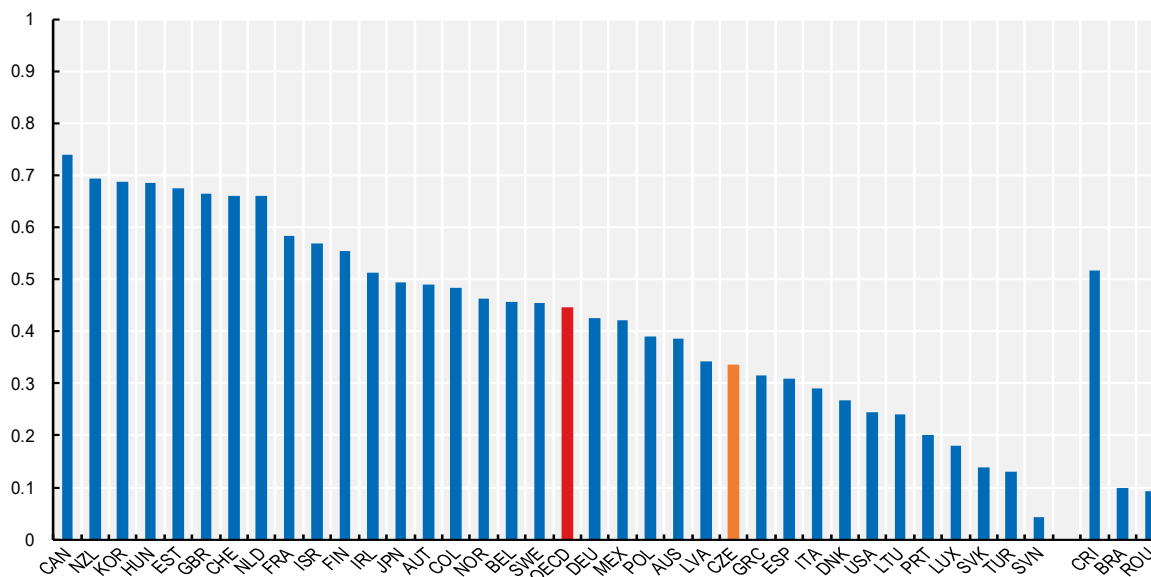
Source: OECD (2021^[7]).

The development of human capital in the Czech central administration, particularly at senior leadership level, is a key area of focus for the Czech public service underlined in the Policy Statement, the PAR and other key strategic documents. This focus aligns with other public administrations in the OECD, where efforts are underway to attract and develop a skilled workforce to design and deliver policies and services for citizens. The OECD Recommendation on Public Service Leadership and Capability (OECD, 2019^[40]) provides a normative framework in this regard. The Czech Republic adhered to this Recommendation in 2019.

In 2014, the Czech Republic adopted the Civil Service Act, which was further amended, notably in 2017, 2019 and 2022. The Civil Service Act covers the basic principles and values of the administration. It regulates the professionalisation, performance, training and recruitment of civil servants as well as the organisation of the central administration (service offices). It applies to officials in the service offices. In interviews, stakeholders underlined the act's positive effects on the professionalisation of the civil service while pointing out the need to further improve it to make the functioning of the administration more effective and safeguard its neutrality. A separate act regulates employees of municipalities and regions, the Act on Officials of Territorial Self-governing Unit (Ministry of Interior of the Czech Republic and European Union, 2018^[2]).

One of the key questions for the Czech administration is whether the principles of the Civil Service Act in recruitment and learning and development are appropriate for current and future challenges. Across the OECD, COVID-19 and trends such as digitalisation have altered the nature of civil servants' work. The public service of the future will need to attract, retain and develop talent that can respond quickly to fast-changing circumstances (OECD, 2021^[41]). This is particularly important for the Czech Republic's public service, which is faced with a tight labour market. A tight labour market indicates a particular need for the public administration to position itself as an "employer of choice" and recruit effectively, particularly for in-demand skills where it may face specific challenges in attracting and retaining candidates. The Czech Republic currently stands below the OECD average for its effectiveness of recruitment systems for public servants (Figure 5).

Figure 5. Pilot index: Use of proactive recruitment practices in the Czech Republic and OECD countries, 2020



Note: Data for Chile and Iceland are not available.

Sources: OECD (2021^[7]; 2020^[42]).

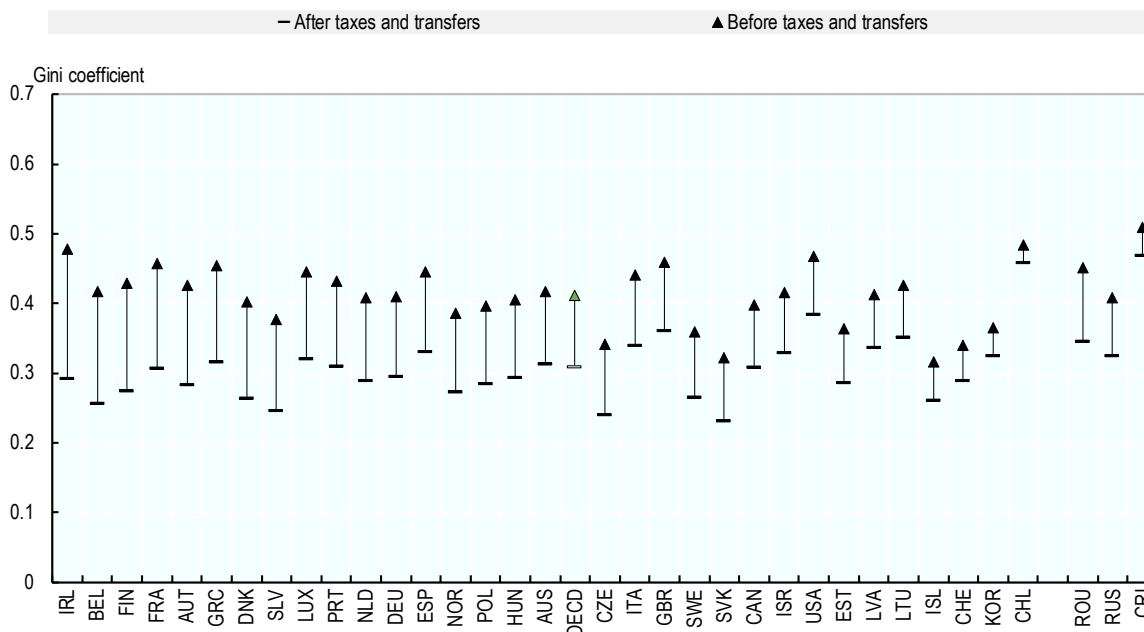
The government has integrated measures to amend the Civil Service Act in its Policy Statement to make the civil service more efficient, open and competent, including by “admitting candidates from outside the civil service even in the first rounds of selection procedures for senior positions” (Government of the Czech Republic, 2022^[29]). A crucial amendment No 384/2022 to the Civil Service Act came into force on 1st January 2023, with the stated objective of increasing the effectiveness and the neutrality of the civil service. This amendment aims to simplify the procedure for hiring senior professionals and open the competition for such positions, set time limits on their mandates with the possibility of renewing them, and establish senior directors instead of deputy ministers as chief civil servants. These issues will be further examined in Chapter 6.

Inclusiveness: Inequalities remain low in the country, but progress can be encouraged to make the public administration more inclusive

The Czech Republic has the second-lowest level of income inequality in the OECD. Its Gini coefficient decreased from 0.34 before taxes and transfers to 0.24 after (Figure 6) (OECD, 2021^[7]). It also performs well in many areas of the OECD Well-Being Index, particularly on jobs, education and skills, and personal security, but scores below average in housing and income as well as citizen participation for developing regulations (OECD, 2021^[43]). The poverty rate in the Czech Republic is one of the lowest across the OECD at 6.1% of the population in 2018, compared to 11.2% in the OECD, but has been rising from 5.2% in 2012 (OECD, 2021^[7]).

Figure 6. Gini coefficient in OECD countries

Differences in household income inequality among the working-age population pre- and post-tax and government transfers, 2018

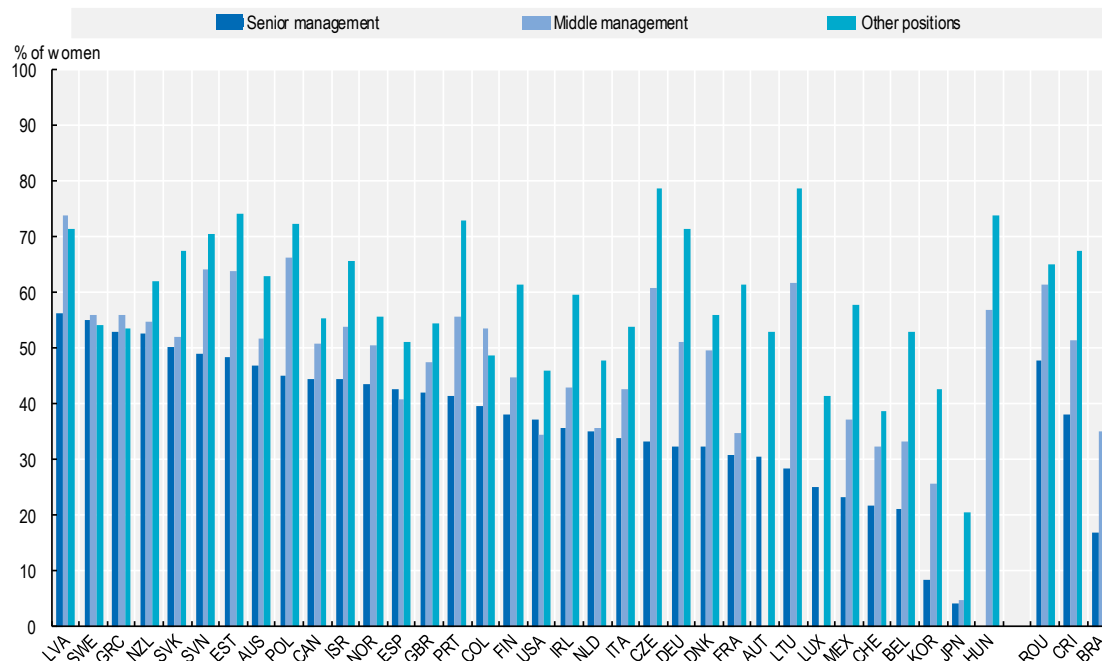


Source: OECD (2021^[77]).

Important regional differences remain, along with a highly fragmented territorial administration. The Czech Republic has the lowest average size of municipalities in the OECD, resulting notably in co-operation challenges and discrepancies in capacities and resources to invest and deliver services across regions and municipalities (OECD, 2020^[5]). While all regions scored well on education, jobs and security, the country has significant regional disparities in access to services, jobs, civic engagement and community according to the OECD Regional Well-being Index (OECD, 2021^[38]). Disparities also remain in life expectancy and the quality, efficiency and resources available for health and education services. However, the Czech Republic lacks precise indicators to assess the cost and quality of public service delivery across municipalities and regions (OECD, 2020^[5]). The government has been facilitating the creation of “centres of intercommunal services” to encourage municipal collaboration (European Commission, 2020^[25]).

Like most OECD countries, the Czech Republic is less inclusive when it comes to the representation of women in senior positions and youth in general in the public administration and political life. There is a high proportion of women in the public administration in the Czech Republic, and women represent more than 60% of middle management but less than 35% of senior management (Figure 7). Civil servants aged 18-34 only represent around 16% of total civil servants in the central government compared to 19% on average in OECD countries. Gender equality in parliament was quite low over the last three legislatures at 20-23% of MPs, at least five points below the OECD average. The same trend stands for young MPs, who only accounted for 17% of total MPs in 2021, compared to 22% in OECD countries.

Figure 7. Gender equality by position in central governments, 2020



Source: OECD (2021^[77]).

Resilience: The public administration has built capabilities and processes to address the crises, but the recent crises point to implementation challenges

The Czech public administration has demonstrated resilience and stability during the COVID-19 crisis by ensuring continuity in delivering public services to citizens and in its functioning. It has adapted its support to firms and citizens through a wide range of fiscal, health and social policies and services in a challenging context to weather the effects of the COVID-19 pandemic.

The Czech Republic has established a robust crisis management framework based on regulations, institutions and plans such as the Act on Crisis Management. In particular, the *Crisis Central Staff*, the key intergovernmental advisory and co-ordination body in the event of a crisis, was rapidly activated for the COVID-19 crisis. The Ministry of Interior plays a key role in crisis management as its Department of National Security and Crisis Management is co-ordinating the crisis preparations efforts of the entire administration during normal times and supports the *Crisis Central Staff* during a crisis by playing the role of Secretariat and chairmanship, depending on the nature of the crisis. However, the management of the COVID-19 crisis has shown that governance implementation challenges remain. During the COVID-19 crisis, the government has created parallel bodies with competing roles with the *Crisis Central Staff*, leading to confusion and inconsistencies while undermining the role of the *Crisis Central Staff*. The new crisis linked to the war on Ukraine is further testing the resilience of the crisis management system and the public administration to new shocks. The crisis management system will be further examined in Chapter 7.

While the Czech administration has long-term strategic plans with the Czech Strategy 2030 allowing for forward-looking policymaking, it appears to lack foresight capabilities to best prepare for future scenarios and anticipate future megatrends and shocks. In the Czech Republic, neither the CoG nor a single government body is tasked with strategic foresight (European Commission, 2020^[25]). The COVID-19

pandemic has shown the need for governments to adopt a systematic approach to embedding foresight in policymaking in the ongoing broader context of high uncertainty and rapid change (OECD, 2020^[44]).

Overall, the effectiveness of the public administration in the Czech Republic could be increased by making the public governance system more agile, collaborative and resilient in the face of shocks; by revising the civil service management and recruitment system, especially for senior civil servants; and by improving the functioning and co-operation of central and local government levels, including in service delivery. Enhancing the effectiveness and the citizen-centricity of the public sector are key objectives of the PAR, which covers most of these reform priorities and provides a reform for administration reform towards achieving these goals. Making the public administration more user-centric is also a horizontal driver for reform to make the administration closer to the needs of and more responsive to citizens and ultimately to increase trust in government.

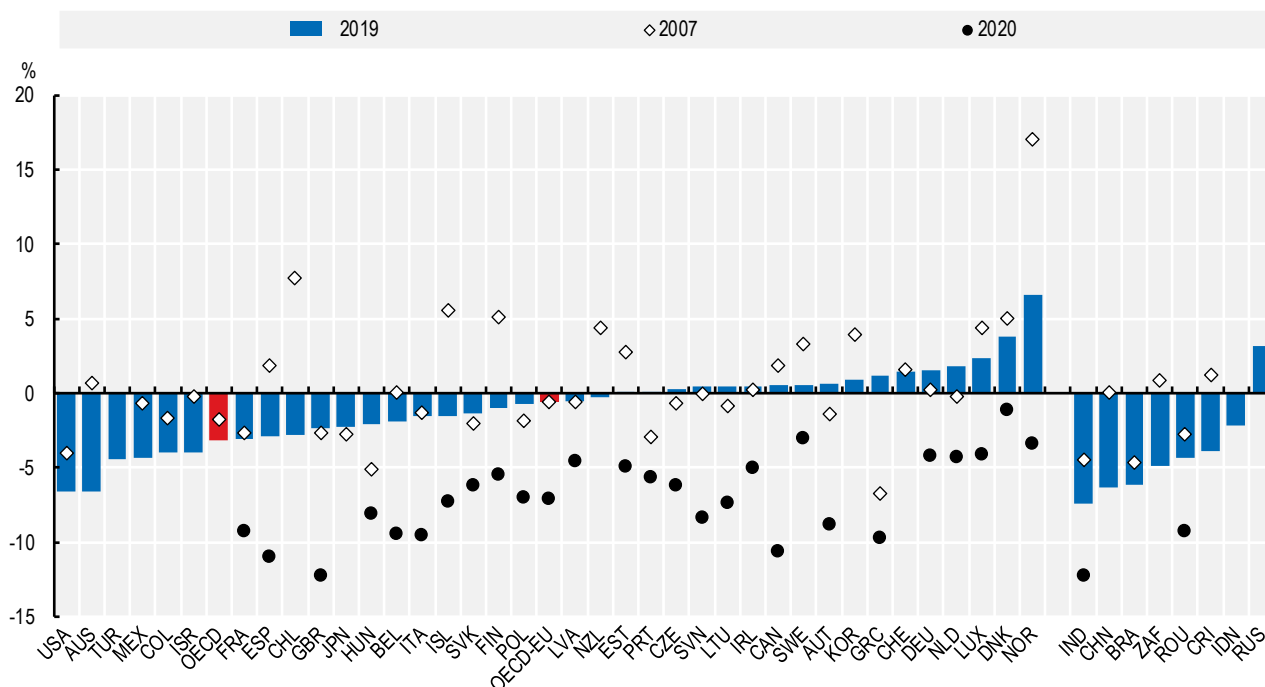
Spending

The Czech Republic had a low pre-crisis deficit and debt compared to OECD countries

The Czech Republic was one of the few OECD countries to have a positive fiscal balance before the crisis, registering a fiscal surplus of +0.3% (Figure 8). Pre-crisis government expenditures at 41.4% of GDP were slightly above the OECD average (40.8%) but significantly below the OECD-EU average (46.6%). The most important expenditure areas were related to social protection (12.6% of GDP), health (7.6%), economic affairs (6.1%) and education (4.9%), all slightly below OECD averages compared to GDP, with the exception of economic affairs, where it spends more. The government was also spending 4.4% on general public services, which includes notably the functioning of the central executive and legislative bodies and transfers between levels of government. This is comparatively lower than the OECD average of 5.4% and that of its neighbouring countries, with the exception of Poland (OECD, 2021^[7]).

Debt was also moderate at 37.7% of GDP, markedly below regional neighbours, with Austria at 88.9%, Hungary at 83.5%, Poland at 63.5% and the Slovak Republic at 63.1%, as well as the OECD (109.2%) and OECD-EU (97.4%) averages (OECD, 2021^[7]).³

Figure 8. General government fiscal balance as a percentage of GDP, 2007, 2019 and 2020



Source: OECD (2021^[7]).

The government has used its fiscal space to support the economy during the COVID-19 crisis

Like in all OECD countries, Czech public finances have deteriorated with the crisis. The fiscal balance has evolved from a slight surplus in 2019 to a large deficit of 5.8% of GDP in 2020. The fiscal deficit stood at 6.1% of GDP in 2021, better than the expected -7.2%, but will remain large in 2022 before further declining to -3.5% by 2025 (Economist Intelligence Unit, 2021^[45]; OECD, 2021^[7]; 2020^[5]). While COVID-19 has negatively affected the fiscal balance, the Czech Republic kept a positive structural primary surplus in 2020 at +0.4%. Before the crisis, the Czech Republic was already one of the few countries in the EU recording a positive fiscal primary surplus at +0.8% of GDP in 2018. In its Policy Statement on 6 January 2022, the government expressed its commitment to continue reducing budget deficits while also stating that it will not increase the tax burden of the economy (Government of the Czech Republic, 2022^[30]).

Expenditures have significantly increased, from 41.4% of GDP in 2019 to 47.5% in 2020, particularly in health, social protection and economic affairs, to address the effects of the COVID-19 crisis (OECD, 2021^[7]). Expenditures further increased in 2021 due to the continuation of COVID-19 programmes and related expenditures (OECD, 2023^[4]). The Czech Republic still remains at the lower end of EU countries when it comes to public expenditures, but it had to amend its new fiscal framework regarding expenditure rules (OECD, 2020^[5]). In the longer term, as highlighted by the recent OECD Economy Survey, the Czech Republic will need to improve its fiscal sustainability, especially due to the ageing of the population and the related expected increase in pension expenditures (Economist Intelligence Unit, 2021^[45]; OECD, 2020^[5]; OECD, 2023^[4]). Public debt has been contained throughout the crisis, despite rising to 47% of GDP in 2020⁴ (OECD, 2019^[46]; 2021^[35]; Economist Intelligence Unit, 2021^[45]).

The trajectory of public finances and expenditures are affected by the war on Ukraine

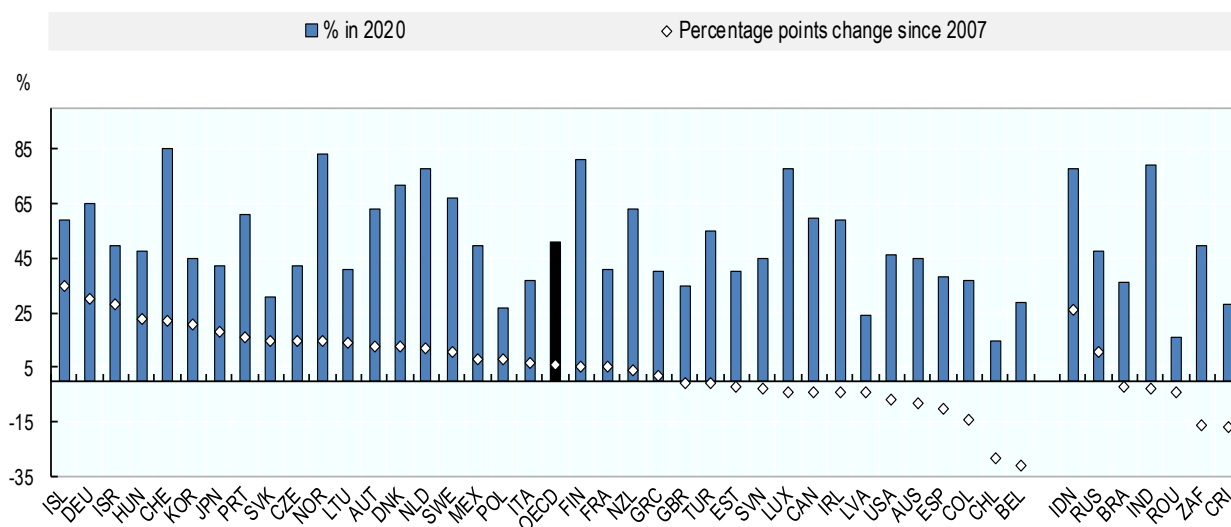
The war in Ukraine will slow down the Czech Republic's recovery and its return to pre-crisis fiscal balances (OECD, 2023^[4]). General government expenditures will continue to increase due to social transfers, the support for citizens and firms to fight inflationary pressures, and the response to the humanitarian crisis in the context of continuous support needed for the recovery from the COVID-19 pandemic. The general government balance will remain negative in 2022 at an expected -4.5% of GDP and at -4.1% in 2023. General government debt to GDP ratio is expected to reach 45.2% in 2022 and further grow to close to 50% of GDP in 2024⁵ (Ministry of Finance of the Czech Republic, 2022^[47]). These trends echo the economic situation in OECD countries due to the Russian invasion of Ukraine. Additional fiscal support is being provided to help cushion the impact of high energy costs on households and companies, which will further increase public debt across the OECD (OECD, 2022^[48]).

This trajectory challenges the country's fiscal sustainability as underlined by the recent OECD Economic Survey of the Czech Republic (OECD, 2023^[4]). Recent expansionary expenditures have deepened the public deficit and debt. In the longer term, the ageing of the population and the evolution of the old-age dependency ratio are expected to negatively impact public finances. Future increases in pension, health and long-term care spending will challenge the fiscal sustainability of the country and call for reforms in these areas (OECD, 2020^[5]).

Citizens' engagement and trust

Reinforcing citizens' trust appears to be a central challenge for the Czech administration. Trust in government and in the civil service stands significantly below the OECD average, with only four citizens out of ten trusting the government and one-third of them trusting the civil service, compared to an average of half of citizens trusting each institution in OECD countries according to the Gallup World Poll (Figure 9). Trust in parliament is even more subdued, with 14% of citizens trusting the parliament (OECD, 2021^[35]). Trust in government has deteriorated during the COVID-19 crisis, showing little "rallying around the flag" effect, according to Eurofound data (Eurofound, 2020^[49]; OECD, 2021^[7]). The recent OECD Trust Survey, to which the Czech Republic did not respond, further investigates the issue of trust in government and explores drivers of trust in a number of OECD countries. It underlined that, on average, four out of ten people trust their national government, while four out of ten do not. Key concerns that undermine trust in government include government lack of responsiveness to citizen feedback and concerns, including on climate change and the quality of service delivery, few opportunities for people to participate in decision-making, and low perceptions of public integrity (OECD, 2022^[22]).

Figure 9. Confidence in national government in 2020 and its change since 2007



Sources: OECD (2021^[7]); (Gallup, 2020^[50]).

Citizen engagement in public life is a cornerstone of a healthy democratic system. Further involving citizens in policy and regulation making and the design of services can increase satisfaction with the public administration and the overall public governance system.

Levels of citizen engagement could be further increased in the Czech Republic as evidenced by international indicators. Forty-four per cent of citizens believed that they had a say in what the government does before the crisis, above the OECD average of 40%, but indicating that citizen participation still remained subdued, particularly with the lack of citizen consultation processes conducted on line or by the centre of government (OECD, 2021^[35]). Less than 25% of citizens were satisfied with the possibility of participating in decision-making according to the local survey “Satisfaction with selected areas of public life” (Ministry of Interior and European Union, 2020^[39]). The country also ranks low at 65th in the United Nation’s e-participation Index. While stakeholder engagement is crucial in regulation making, stakeholder engagement in the preparation of primary laws also appeared low in the Czech Republic, ranking in the bottom third of OECD countries on the Indicators of Regulatory Policy and Governance (iREG) (OECD, 2021^[33]). The central government does not, for instance, have a portal for carrying out online consultations, nor were any stakeholder consultations on COVID-19 policies or the recovery plan overserved during the crisis (OECD, 2021^[35]). This points to a lack of participatory processes and innovative forms of participation, including through the use of digital technology and tools.

Stimulating citizen engagement is closely linked to open government, as open government helps promote transparency and accountability. As an Adherent to the OECD Recommendation of the Council on Open Government and a signatory of the Open Government Declaration of the Open Government Partnership, the Czech Republic is committed to the principles of openness. This includes making data available but also encouraging the use, reuse and free distribution of data sets to the general public. It ranked 16th out of 32 countries on the OECD Open, Useful and Re-usable data (OURdata) Index in 2019 and scores above the OECD average (OECD, 2019^[51]). The country scores higher on data availability than it does on the accessibility of data and on the support to reuse data. Like most OECD countries, it has adopted an “open by default” approach and has made efforts and progress compared to the previous edition of the index in 2017, including by further publishing information on line and allowing users to publish their own data sets on the government’s open data portal that is administered by the Ministry of Interior (Ministry of Interior of the Czech Republic, 2022^[52]; OECD, 2019^[51]). The Czech Republic also has a catalogue of open data that

displays all data sets published on the portal. The number of institutions publishing open data is also on the rise (Ministry of Interior and European Union, 2020^[39]).

Overall, the Czech Republic does not have a comprehensive vision and framework for citizen engagement, nor standard and systematic practices for consulting and involving citizens in policy and regulation making and in public life. The country has developed some instruments to consult and better represent citizens' interests, including, but not limited to, councils, public hearings and consultations. But more can be done to more broadly engage and represent all citizens in policymaking processes, developing a more user-centric administration and fostering citizen engagement are key objectives of the PAR. It foresees the creation of “conditions for the participation of citizens in public affairs” (Ministry of Interior of the Czech Republic, 2019^[3]). The PAR aims to both increase citizens' awareness and mechanisms for them to participate in public life and to raise the administration's culture, awareness and capabilities of the importance of engaging citizens. However, it appears that a whole-of-government approach and instruments have not yet been developed. Citizen participation will be further examined in Chapter 1.

Digitalisation

The Czech Republic ranks in the bottom third of the EU for digital public services (European Commission, 2020^[25]). Only 57% of citizens use online services, on par with the EU average but largely behind European leaders and several neighbours in this area (European Commission, 2020^[25]). The relatively limited uptake and development of digital services in the Czech Republic certainly contribute to the overall lower responsiveness and quality of services and to the differences observed across regions (European Commission, 2020^[25]; OECD, 2020^[5]). Indeed, the Czech Republic lags behind the OECD average in the OECD Digital Government Index (Figure 10), particularly in the user-driven and proactiveness dimensions, which are the most transformational according to the OECD Digital Government Policy Framework (OECD, 2020^[53]). Engaging efforts in this area would encourage the government to foster collaboration with citizens, placing their needs at the core of public services. Leveraging the use of digital tools and data will also facilitate the engagement with external stakeholders and the public in the design and delivery of public services (OECD, 2020^[53]).

The Czech Republic has been modernising and digitalising its delivery of administrative services to citizens, particularly through the Czech Point project led by the Ministry of Interior in support of the implementation of the Strategic Framework for the Development of Public Administration 2014-2020. The project aims to develop digital one-stop shops and contact points for citizens and has helped significantly expand the number of services available digitally to citizens on the Citizen's Portal, which increased from 60 in 2018 to 230 in 2020. While progress is real, it only concerns a limited proportion of total services for citizens (6.70%), and overall satisfaction with administrative services stagnates at low levels, pointing to the need to ramp up efforts and further engage citizens.

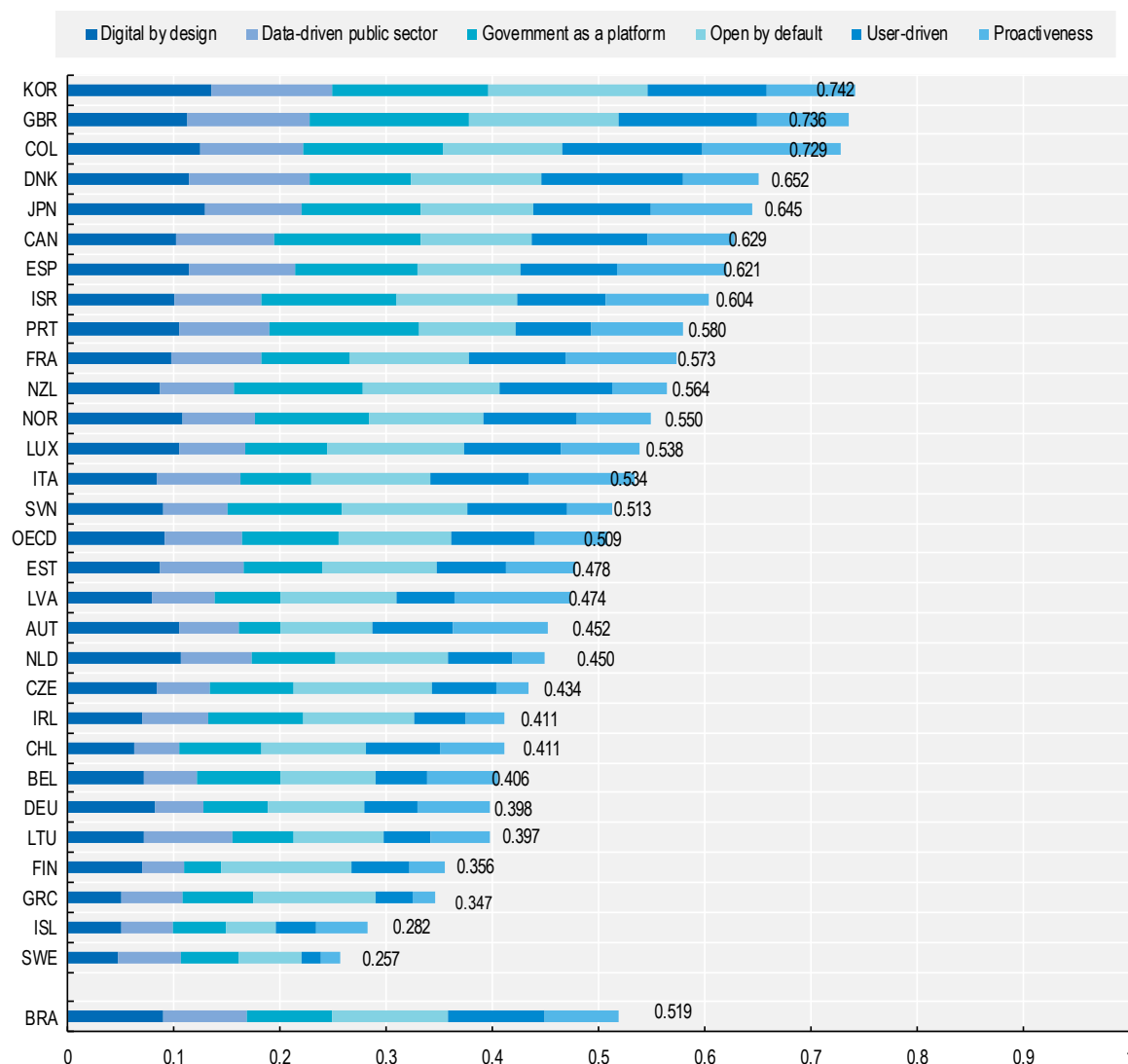
The PAR identifies the digital transformation of the government as a key priority, including the digitalisation of processes and services as well as the adoption of digitally ready legislation. This priority is also supported by the national Digital Czech Republic Strategy (Government of the Czech Republic, 2019^[54]). Further investments in digital services and skills are included as part of the Czech Republic's EU Recovery and Resilience Plan (Government of the Czech Republic, 2021^[55]).

Improvements in the digitalisation of the government have also been included in the key measures of the government's Policy Statement and as an important policy objective. This includes the digitalisation of the catalogue of public services by 2025, the development of digital skills and infrastructure, enhancing the government's capabilities as well as digital governance reforms (Government of the Czech Republic, 2022^[29]). The latter has been turned into practice with the creation of the Deputy Minister for Digitalisation in the Government Office in 2021, aimed to increase the co-ordination and steering of the government's digitalisation efforts and to signal it as a key priority for the country. The Czech Republic is also set to

create a Digital and Information Agency that will support the implementation of digital initiatives and further concentrate line ministries' digital activities into the agency.

As a horizontal theme, digitalisation can help enhance the effectiveness of the public sector and better respond to citizens' needs in the Czech Republic. Despite some recent progress, the public administration can further increase whole-of-government co-operation and delivery, and embrace the digital transition to the benefit of its citizens. This challenge will be studied in Chapter 5.

Figure 10. OECD Digital Index, 2019



Source: OECD (2020^[53]).

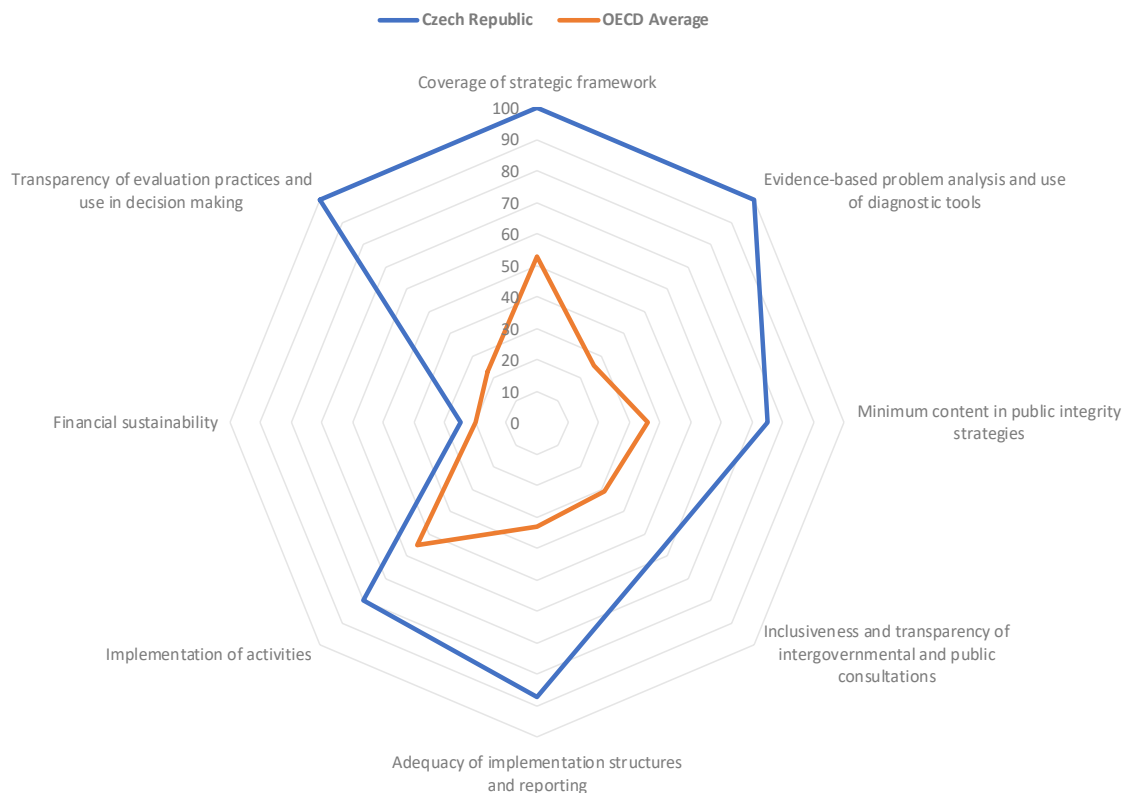
Integrity

The Czech Republic scores in the median in Transparency International's Corruption Perceptions Index but is on a decreasing trend from a score of 59/100 in 2018 to 54/100 in 2020 and 2021. The country ranks 49th globally, next to Poland and the Slovak Republic (Transparency International, 2021^[56]). A local survey of Czech citizens even reports a worrying situation, as only 8% of Czech citizens indicated being satisfied

with the level of corruption in the country (Ministry of Interior and European Union, 2020^[39]). These figures echo the low satisfaction of Czech citizens with some categories of services, including local administration services, and a number of corruption cases involving high-level officials that contributed to the overall low perception of integrity with the legislative and executive branches (World Justice Project, 2021^[57]).

The public sector integrity framework in the Czech Republic appears more robust than the average of OECD countries according to the OECD public sector integrity indicators, but important *de facto* and *de jure* issues remain regarding members of parliament, the executive, preventing a conflicts of interest and transparency in lobbying as the 2019 Group of States against Corruption (GRECO) report highlighted (Figure 11) (OECD, 2021^[58]; GRECO, 2019^[59]). Limited progress on the implementation of the recommendations of the GRECO has been recorded in the past years, particularly on measures *vis-à-vis* MPs. Like most OECD countries, the Czech Republic has a public integrity strategy in place, *the Government's Concept of the Fight against Corruption for the Years 2018 to 2022*. The concept was drafted by the Anti-Corruption Unit of the Office of the Government, which was transferred to the Ministry of Justice in 2019. It was prepared in collaboration with an inter-institutional body, the Government Anti-Corruption Council, that supported and recommended its adoption by the government. However, improvements could be made in different areas, including on the financial sustainability of public integrity (with no systematic costing of actions) efforts, consultations and the implementation of important measures, particularly regarding codes of conduct and preventing conflicts of interest in the executive (OECD, 2020^[5]; 2021^[7]). In addition, there are gaps in the transparency lobbying framework, as there is no category of public officials in the Czech Republic that need to make public their engagement with lobbyists, as is the case in neighbouring countries, and which is uncommon among OECD countries. Half of OECD countries even have public registries where lobbyists and/or public officials disclose information on their interactions (OECD, 2021^[7]).

Figure 11. The Czech Republic's public sector integrity framework



Note: Assessment based on the *Government's Concept of the Fight against Corruption for the Years 2018 to 2022*.
Source: OECD (2021^[58]).

Despite the existing framework for public integrity and whole-of-government efforts, increasing the integrity of the public sector remains an important challenge for the country, with low levels of confidence of citizens on the matter. This points to the need to implement measures linked to the legislative power and conflict of interest in the executive. This topic has been discussed as part of the *OECD Economic Survey of the Czech Republic 2020* and in an upcoming GRECO evaluation and will not be covered in a dedicated chapter as part of this review (OECD, 2020^[5]).

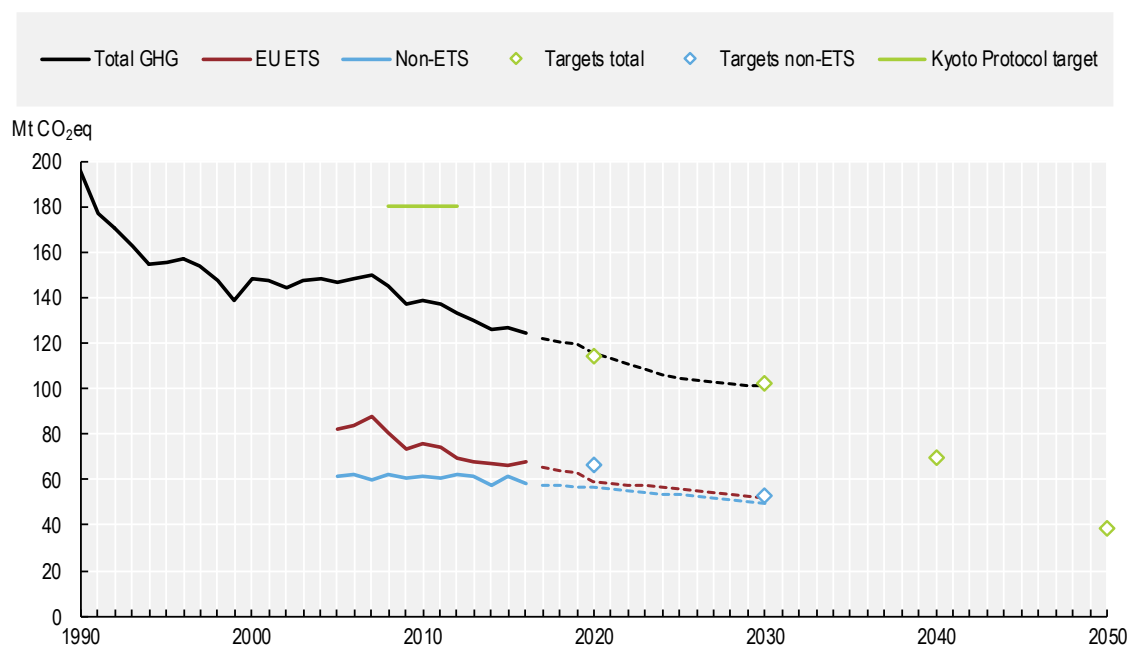
Whole-of-government efforts to address climate change

Despite some progress in reducing GHG emissions, the recent OECD Economic Survey underlines that Czech Republic remains one of the most carbon-intensive economies in the OECD, ahead of neighbouring countries including Poland and the Slovak Republic (OECD, 2018^[16]; OECD, 2023^[4]). While the country has achieved its Kyoto Protocol targets on GHGs, achieving mid- and long-term climate targets in line with EU commitments will require additional efforts (Figure 12) (OECD, 2018^[16]). In particular, the Czech Republic needs to reduce its GHG emissions by 30% by 2030 compared to 2005 levels. The population is also exposed to severe levels of air pollution, with 99% of the population exposed to PM_{2.5} fine particles, compared to an average of 62% of the population in OECD countries (OECD, 2018^[16]). Decarbonising the economy is a key priority for the Czech Republic (OECD, 2023^[4]). This crucial policy challenge has been identified at the whole-of-government level in the Czech Republic 2030 strategy, as

well as in the Policy Statement of the government. The Policy Statement notably underlines the aim to contribute to achieving EU climate neutrality by 2050 (Government of the Czech Republic, 2022^[30]; Government of the Czech Republic, 2017^[20]).

This section underlines governance and co-ordination challenges linked to climate change policies and strategies and echoes the findings of the recent OECD Economic Survey of the Czech Republic (OECD, 2023^[4]). It does not provide an environmental assessment of the situation in the Czech Republic.

Figure 12. Greenhouse gas emissions in the Czech Republic, 2017



Note: GHG: greenhouse gas; ETS: Emissions Trading System.
Source: OECD (2018^[16]).

Existing strategies and legislation and the Recovery and Resilience Plan can support a greener growth path for the country

The Czech Republic developed a number of key strategies to fight climate change in 2017, including the Climate Protection Policy of the Czech Republic, which focuses on mitigation and reducing GHG emissions (Government of the Czech Republic, 2017^[60]). The strategy aims to help the Czech Republic fulfil its commitments under the Paris Agreement. It sets GHG reduction objectives for the short and long term in line with EU commitments and presents an outlook until 2050. The strategy includes a series of targeted measures across different sectors. The government plans to develop a new Climate Protection Policy to respond to EU commitments and achieve the goal of climate neutrality by 2050 at the latest (Government of the Czech Republic, 2022^[30]).

Challenges related to climate change mitigation are also covered in strategies led by other ministries, including the 2019 National Energy and Climate Plan of the Czech Republic, led by the Ministry of Industry and Trade, and other sectoral strategies.

The government has also developed a parallel strategy, the Strategy on Adaptation to Climate Change in the Czech Republic, which covers adaptation. The strategy identified the key risks and adaptation

measures needed as well as the financial implications and needs to support climate adaptation. It is supplemented by a National Action Plan on Adaptation to Climate Change that has been evaluated over the period 2017-20. The evaluation, which is mostly output-based, points out that more than 70% of the 350 tasks planned have been completed; however, only 21% of objectives have been met across the different sectors (forestry, agriculture, water, biodiversity, etc). It underlines that most progress has been made in the areas of education, agriculture and forestry, but much more can be done to increase the adaptation capacity of all these sectors to climate change (Government of the Czech Republic, 2020^[61]).

The EU Recovery and Resilience Plan of the Czech Republic has an important green component and can help the country achieve its climate objectives and embrace the green transition. Forty-two per cent of the expenditures as part of the RRP are targeted at climate change. They include measures to improve energy efficiency, increasing the share of renewable energies in the energy mix, enhancing sustainable mobility and infrastructure, and promoting the circular economy (Government of the Czech Republic, 2022^[62]). One of the main goals includes the decarbonisation of the economy, defined as the transition to a low-carbon economy. The Steering Committee of the National Recovery Plan has led the development of the RRP with the advisory support of the National Recovery Plan Committee. The Ministry of Industry and Trade chairs both committees and played a key role in preparing the RRP, together with the Ministry of Finance and the Office of the Government. The role of the Ministry of Environment does not appear as prominent, while most of the funds should go to climate-related measures impacting different sectors.

The Czech Republic has established specific institutions to support green growth, but their action has been limited partly due to changes in the institutional setting

The Ministry of Environment is tasked with addressing the effects of climate change and environmental-related issues in the country. It is in charge of strategy implementation on climate change and reducing GHG emissions and produces annual evaluation reports on the state of the environment in the Czech Republic. The ministry ensures the implementation of two strategies: the Climate Protection Policy and the Strategy on Adaptation to Climate Change. The ministry is leading the Inter-ministerial Working Group on Climate Protection, which is in charge of preparing, updating and monitoring the implementation of these strategies. It also leads the Council for Sustainable Development, which aims to co-ordinate sustainable development issues across the central government, but does not specifically cover climate policy (Ministry of Environment of the Czech Republic, 2017^[63]). A number of other councils also have a role to play on environmental-related matters or have strong connections to the topic, including Council for Health and the Environment, the Government Council for Energy and Raw Materials Strategy, and the Coal Commission and the committees working on the RRP. As they are led by different ministries (Ministry of Trade and Industry, Ministry of Health) with sometimes competing objectives, it is not clear how co-ordination takes place and how climate change measures are considered priorities, including the alignment between the RRP and the government's Climate Policy. This also poses uncertainties on how climate change objectives and related measures are included in sectoral strategies and the capacity the ministry has to support this process.

The Ministry of Environment also needs to ensure alignment with other strategies crucial for climate change, particularly between the Climate Protection Policy, the State Energy Policy, and the National Energy and Climate Plan. In this regard, the Government Statement has an objective to revise the Climate Protection Policy of the Czech Republic to reach the EU targets by 2030 and the goal of climate neutrality by 2050 and underlines the need to co-ordinate this policy with the update of the State Energy Policy in 2023 (Government of the Czech Republic, 2022^[29]). Close strategic alignment with energy policies is particularly important, and more precisely with the 2015 State Energy Policy of the Czech Republic. To support this alignment, in 2019 the government issued the National Energy and Climate Plan following an obligation set by the EU – the Regulation on the Governance of the Energy Union and Climate Action (Government of the Czech Republic, 2019^[64]). Monitoring and supporting the implementation of this plan, both by the Ministry of Industry and Trade and the Ministry of Environment in connection with the existing

key strategic documents on climate change, will be crucial to ensure consistency across strategies and policies and the contributions of energy policies to the achievement of climate change targets.

OECD countries are increasingly looking at ways to further engage citizens in green policymaking. A number of mechanisms and initiatives have been launched and implemented over the past years, such as citizen assemblies (OECD, 2020^[65]). No similar mechanism has been observed in the Czech Republic. Providing open data on environmental and climate change indicators can also allow citizens, government and non-government stakeholders access to information on the current situation, help monitor the progress made and identify areas where efforts are still needed. While such open portals exist in a number of countries like Ireland and Scotland, no such portal was found in the Czech Republic.

The governance setting should help support the coherence on climate change policies between the government's different strategies. The government has identified this challenge, in particular concerning energy policies, as mentioned in the Policy Statement. It appears, however, that the country lacks interministerial steering and co-ordination capabilities to ensure the alignment across strategies and drive the government agenda on climate change. There is, for instance, no structure in the CoG tasked with steering climate commitments and policies. Both the Ministry of Environment and the Council of Sustainable Development seem to lack the convening power to drive the climate change agenda and align ministries around climate priorities. For instance, France recently established a dedicated Secretariat to the Prime Minister on Climate Change policies to reinforce its governance structures and co-ordination capacities, to align all climate strategies and ensure that ministries meet their climate-related commitments. The governance arrangement will be further discussed in Chapter 2.

Aim of the review: Support the Czech Republic in making policies and services more efficient, co-ordinated, evidence-based and citizen-oriented

The Czech Republic has been implementing a series of public administration reform plans to make the public administration more efficient and to deliver essential public services to citizens. It has made strides in establishing a robust governance framework, managing public expenditures, developing decision-making co-ordination mechanisms such as the rules of procedures, modernising and digitalising public services, and reforming the civil service. Further improvements can be made to make the administration more agile and responsive to citizens' needs, enhancing the strategic and policy co-ordination from the centre, articulating the different levels of government, revising the Civil Service Act and attracting new talents to the administration, and developing capabilities and governance arrangements to address cross-cutting challenges, especially on the digital transition. The implementation of the PAR can support most of these priorities.

This Public Governance Review of the Czech Republic aims to identify where critical governance reforms are needed and support the implementation of the PAR. It also aims to help the Czech Republic address contemporary governance challenges, including strengthening government capabilities to address horizontal challenges, such as embracing the digital and green transitions, and building a more citizen-oriented public administration that fosters citizen engagement.

The review furthermore aims to help the Czech government ensure the design and delivery of high-quality services, policies and regulations provided by the public administration in all regions of the country that meet people's needs and sustain improvements for citizens and businesses over time. Ultimately, the review can contribute to enhancing Czech citizens' trust in government and public institutions. The review's strategic assessment and recommendations aim to complement the more practical, transactional reforms already underway in the public administration reform, notably with the support of the European Union.

Key challenges: Enhancing policy and strategic co-ordination; improving analytical, human and financial capabilities at national and local levels; and further embracing the digital and climate transitions

The assessment of the public governance system of the Czech Republic, supported by a series of interviews and working meetings with key stakeholders in the country, has underlined a number of key challenges for the public administration to increase its effectiveness, transparency and resilience and its capacity to respond to shocks and horizontal issues.

Different parts of the Czech administration have all identified the work in silos as a key issue for the effectiveness of the public sector in the country. The Office of the Government's steering and co-ordination role has been undermined in previous years, not allowing it to fulfil these functions. Further building its capacities and instruments on strategic planning and policy co-ordination and guidance can enhance the consistency and alignment of national and sectoral strategies and policies. The multiplication and fragmentation of government strategies and the lack of strategic alignment have led to a lack of consistency and implementation across strategies and limited coherence with government priorities.

Decisions, regulations and policies are not sufficiently based on evidence in the Czech Republic and have detrimental effects on the government's responses to COVID-19. Better institutional arrangements and capacities for evidence-based policy and regulatory making and developing analyses of expected impacts, including through RIAs, monitoring and evaluation practices, have to be implemented in the Czech administration. This calls for increased analytical capacities across the administration.

The Czech Republic was the last EU member state to introduce legislation governing the management and functioning of the civil service, with the Civil Service Act in 2015. One of the key questions for the Czech administration is whether the principles of the Civil Service Act in the areas of recruitment and learning and development are appropriate for current and future challenges. Two priority areas for the Czech public service are, first, the effectiveness of recruitment systems for public servants, especially senior-level public servants, and second, the learning and development opportunities throughout the careers of public servants at all levels. Amendments to the Civil Service Act are currently being examined by the Senate and will contribute to changing the principles and practices of the civil service in the country.

Citizen participation remains subdued in the Czech Republic, and developing a common definition, framework and practices on citizen engagement can promote citizens' involvement in public life. This will also call for the development of new instruments and tools, along with a participatory culture in the public administration so that it becomes more citizen-oriented, as promoted by the PAR.

The Czech Republic has one of the most fragmented territorial and municipal administrations in the OECD (OECD, 2020^[51]). Co-ordination between the national and subnational levels is improving but could be further strengthened. In particular, inter-municipal co-operation has increasingly been used, but tough challenges remain. Strong multi-level governance instruments are required to manage a complex system of asymmetric assignment of responsibilities. Subnational governments, especially small municipalities, have significant administrative and strategic capacity needs for effective service delivery and strategic planning for local development.

The Czech government can increase its capabilities, instruments and governance arrangements to address horizontal, cross-cutting topics and especially to embrace the green and digital transitions. Redefining and strengthening the governance of digital government and public sector innovation is key to promoting interministerial collaboration, fostering a user-driven culture across the administration, and strengthening interoperability and data-sharing among institutions. Enhanced steering and co-ordination on these issues, particularly from the centre, can help tackle these challenges by mobilising the entire administration, providing a consistent whole-of-government response, making the use of current resources across the administration more efficient, and avoiding duplication of strategies and efforts.

The review aims to help support the identification, analysis and implementation of priorities for governance reforms, particularly those identified in the Client-Oriented Public Administration 2030

The PAR identifies a number of these crucial challenges and the reforms needed in the Czech Republic and suggests actions to address them to enhance the effectiveness of the administration and make it more citizen-oriented. This includes a wide range of actions, from creating a new Competence Law, enhancing the skills of civil servants and further digitalising the government to strengthening co-operation between municipalities. This review provides recommendations and country case studies in support of these strategic objectives. It also considers additional areas where structural governance reforms are needed, particularly on strengthening the role of the CoG, increasing the analytical and strategic capabilities of the administration, and enhancing crisis management structures for future shocks. Some of these recommendations will accompany the government's recent reform efforts, such as the creation of government analytical units.

	High-Level Recommendations
Chapter 1: Fostering citizen and stakeholder participation in the Czech Republic	<ul style="list-style-type: none"> • Strengthen the enabling environment for citizens' participation in the Czech Republic: moving from ad hoc practices to institutionalised mechanisms • Foster participation literacy in the Czech administration and in the wider society • Enhance transparency and provide high-quality information as a basis for citizen and stakeholder participation • Experiment with innovative forms of participative tools and practices
Chapter 2: Centre-of-government-led co-ordination capacity	<ul style="list-style-type: none"> • Increase the centre of government's capacity and instruments to steer, align and implement strategies • Develop the co-ordination role in the Office of the Government • Streamline and empower the various government councils, particularly those under the Office of the Government • Increase the steering capacity of the Council for Public Administration to drive the implementation of the Public Administration Reform strategy 2030 (PAR)
Chapter 3: Evidence-informed decision-making (EIDM) in the Czech administration	<ul style="list-style-type: none"> • Develop analytical capacities in the centre of government and in line ministries • Incorporate public access to data into the current government proposal on public data management • Ingrain EIDM in the public administration and further strengthen the role of RIA in the regulation-making process • Establish systematic monitoring and evaluation of government interventions • Make guidance on conducting ex post assessments of regulations mandatory for all officials
Chapter 4: Public Administration at the local and regional level	<ul style="list-style-type: none"> • Strengthen inter-municipal cooperation including through financial incentives and peer-learning activities to establish long-term and stable inter-municipal co-operation schemes • Strengthen a place-based approach to regional and local development strategic planning, through promoting joint local planning and building local planning capacity • Reinforce inter-governmental dialogue and explore new vertical coordination tools, such as territorial contracts for investments and service delivery • Scale up and optimise capacity building for municipalities (e.g., support municipality learning networks, develop long-term capacity building plan to support municipalities) • Strengthen subnational finance, including by expanding the use of non-earmarked transfers to subnational governments and provide more tax autonomy to some local governments to help improve their efficiency

Chapter 5: The uptake of digital government tools and the development of user-driven digital services	<ul style="list-style-type: none"> • Define clear roles and responsibilities for the key actors driving the digital government agenda • Strengthen the coordination mechanisms involving all levels of government, the private sector, and service users to ensure proper decision-making, implementation and monitoring responsibilities • Enforce further the use of centralised guidelines and standards, common tools and services across the government with appropriate incentive mechanism
Chapter 6: Attracting and developing skills in the Czech public service	<ul style="list-style-type: none"> • Improve employer branding of the Czech public service • Modernise and streamline the recruitment process at all levels • Reflect on the management of senior public service leaders • Develop a centralised learning and development strategy for the public service • Gather and use human resources data more effectively and strategically
Chapter 7: COVID-19 case study: strengthening co-ordination mechanisms for more efficient crisis management	<ul style="list-style-type: none"> • Reinforce the institutional and policy frameworks for crisis co-ordination • Strengthen the crisis legal framework and emergency regulations for evidence-based policymaking • Continue efforts to build a more robust crisis management information system • Finish reinforcing the framework for strategic crisis communication that is currently ongoing • Engage a wider range of stakeholders in the crisis decision-making process

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Notes

¹ “Process and the Main Directions of the Modernisation and Reform of the Central State Administration, including Settlement of Responsibility and Organisational Arrangement and the Civil Service Act”.

² OECD-Europe comprises all European members of the OECD (not necessarily EU members). These are: Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.

³ All debt figures are based on OECD data using the System of National Accounts debt definition, unless otherwise specified.

⁴ Debt of the general government sector was at 37.7% of GDP in 2020 according to the Ministry of Finance.

⁵ Debt of the general government sector will be 42.8% of GDP in 2022, 44.1% in 2024 and 44.6% GDP in 2025.

1 Fostering Citizen and Stakeholder Participation in the Czech Republic

This chapter assesses policies and practices relating to citizen and stakeholder participation in the Czech Republic against the OECD Recommendation of the Council on Open Government and good practices from OECD Member countries. It focuses on participatory processes in public decision-making at central level and beyond electoral processes. The chapter finds that islands of good practice already exist across the Czech public administration, such as advisory bodies that include different types of non-public stakeholders. Nonetheless, the chapter notes that existing processes often lack impact and that there is currently no overarching vision for participation at the national level.

Introduction

Citizen and stakeholder participation is at the very heart of the concept of open government. The participation of the governed in the ruling exercise is a fundamental value of modern democratic societies (OECD, 2022^[1]). Even though for many people participation in democratic life still starts and ends at the ballot box, increasingly citizens across the OECD are using other forms of participation to express their political preferences and engage in public life (OECD, 2022^[1]). As democracy has evolved and adapted to newly emerging needs and challenges, citizens have started taking a more central and active role in all stages of the public decision-making process.

Citizen and stakeholder participation is a broad field, which can include non-institutionalised practices (such as protest or activism), institutionalised mechanisms for democratic participation (such as elections and referenda), as well as non-electoral participatory practices (such as consultations, participatory budgets, hackathons, deliberative assemblies, etc.) (OECD, 2022^[1]). Non-electoral participation differs from traditional democratic participation, as rather than selecting representatives, citizens' and stakeholders' needs and views are integrated throughout the policy cycle and in the design and delivery of services. Non-electoral participatory and deliberative processes do not aim to replace formal rules and principles of a representative democracy, such as free and fair elections, representative assemblies, accountable executives, a politically neutral public administration, pluralism and respect for human rights (OECD, 2001^[2]). Except for the most advanced forms of participation (such as co-creation or co-production), the ultimate responsibility for decisions usually remains with elected officials, who are accountable to the population. Rather than replacing formal rules and principles, (non-electoral) citizen and stakeholder participation throughout the policy cycle aims to renew and deepen the relationship between governments and the public they serve (Sheedy, 2008^[3]).

Successful citizen¹ and stakeholder² participation requires a change of culture. Moving from an *ad hoc* process to a participation culture (and, more broadly, an open government culture) requires public institutions to make a habit of involving citizens. Ultimately, creating a participation culture involves changes in individual and institutional values, skills, beliefs, norms of conduct, and expectations, which are reflected in new types of policies, services and working methodologies (OECD, 2022^[1]). Besides a change in public decision-making and public officials' mindset, a culture of participation requires democratically fit citizens who are interested, and have the agency and needed skills to participate.

As part of its motivation to conduct this OECD Public Governance Review, the Czech Republic highlighted its ambition to move towards better citizen and stakeholder participation throughout the entire public policy cycle. This ambition is also reflected in the country's numerous policy documents and strategies that include a focus on fostering citizens' and stakeholders' involvement in public decision-making. For example, the Strategic Framework Czech Republic 2030 and the Client-Oriented Public Administration strategy outline a vision for more participatory governance in the country. Furthermore, as an Adherent to the OECD Recommendation of the Council on Open Government (OECD, 2017^[4]) and a signatory of the Open Government Declaration of the Open Government Partnership (OGP), the Czech Republic is internationally committed to supporting citizen and stakeholder participation in decision-making and service delivery.

This chapter assesses policies and practices relating citizen and stakeholder participation in the Czech Republic against standards promoted by the OECD Recommendation of the Council on Open Government and good practices in other OECD countries. Recognising that participation is a broad concept, this chapter only looks at the inclusion of citizens and stakeholders in non-electoral mechanisms (what in the Czech Republic is usually referred to as "less traditional forms of participation" or "participation in public events"). In particular, it analyses the Czech Republic's frameworks and mechanisms to foster the involvement of citizens and stakeholders in public decision-making. Rather than assessing individual participatory processes implemented by public institutions, the chapter focuses on ways to foster the governance of the participation agenda at the level of the central government.³ It finds that islands of good

practice in terms of citizen and stakeholder participation already exist across the Czech central administration and at the local level. For example, the Czech Republic has a strong culture of creating advisory and working bodies that include different types of non-public stakeholders. At the same time, the chapter notes that existing participatory processes often lack impact and that there is currently no overarching vision for citizen and stakeholder participation across the Czech public administration. Currently, there is little guidance, co-ordination or sharing of good practices and participation is often limited to the “usual suspects”.

The chapter starts by defining participation and discussing the Czech Republic’s current understanding of the concept. It then focuses on the enabling environment for participation, discussing laws, policies and institutions that allow for citizen and stakeholder participation at the level of the central government. It then continues by discussing ways to foster participation literacy in the Czech administration and society and by analysing how public communications and the provision of high-quality information can enable informed participation. The last section identifies newly emerging trends that could support the Czech Republic in unleashing the full potential of citizen and stakeholder participation.

What is citizen and stakeholder participation?

Over the years, the understanding of the concept of open government in OECD countries moved from a transparency-focused agenda to include a more interactive relation between citizens and governments, including other elements such as participation and accountability (OECD, 2016^[5]). Accordingly, the OECD Recommendation of the Council on Open Government defines open government as “a culture of governance that promotes the principles of transparency, integrity, accountability and citizen and stakeholder participation in support of democracy and inclusive growth”.

The OECD Recommendation of the Council on Open Government further defines participation as “all the ways in which stakeholders can be involved in the policy cycle and in service design and delivery”. Participation, hence, refers to the efforts by public institutions to hear and integrate citizens’ and stakeholders’ views, perspectives and inputs in public decision-making. In this regard, Provisions 8 and 9 of the Recommendation (OECD, 2017^[4]) invite Adhering countries to:

8. Grant all stakeholders equal and fair opportunities to be informed and consulted and actively engage them in all phases of the policy cycle and service design and delivery. This should be done with adequate time and at minimal cost, while avoiding duplication to minimise consultation fatigue. Further, specific efforts should be dedicated to reaching out to the most relevant, vulnerable, underrepresented or marginalised groups in society, while avoiding undue influence and policy capture.

9. Promote innovative ways to effectively engage with stakeholders to source ideas and co-create solutions and seize the opportunities provided by digital government tools, including through the use of open government data, to support the achievement of the objectives of open government strategies and initiatives. (OECD, 2017^[4])

There is no one-size-fits-all model for citizen and stakeholder participation

Participation is not a linear concept and has different modalities, and degrees of involvement and of impact (OECD, 2021^[6]). One way to understand and analyse participation is by looking at the degree of agency and power given to participants to influence and take part in the process and its outcomes (OECD, 2022^[1]). Arnstein (1969^[7]) coined an eight-level scale to understand participation, from manipulation to citizen control. The IAP2’s Spectrum of Public Participation (2018^[8]) measures participation in relation to the impact it has on the decisions using five stages. The OECD (2001^[2]; 2017^[4]) distinguishes between three levels of citizen and stakeholder participation, which differ according to the level of involvement and impact associated:

1. **Information:** an initial level of participation characterised by a one-way relationship in which the government produces and delivers information to the public. It covers both on-demand provision of information and “proactive” measures by the government to disseminate information. This level of participation can refer, for example, to open data platforms or public communication campaigns.
2. **Consultation:** a more advanced level of participation that entails a two-way relationship in which the public provides feedback to the government and vice versa (comments, perceptions, information, advice, experiences and ideas). It is based on the prior definition of the issue for which views are being sought and requires the provision of relevant information, in addition to feedback on the outcomes of the process. In most cases, there is no obligation to take the audience’s views into consideration when amending plans, taking decisions or setting directions. In most consultation meetings, decision-makers commit only to receiving the testimony of participants and considering their views in their own deliberations (OECD, 2015^[9]). This level of participation can refer, for example, to public consultations on draft legislation or consultative bodies on technical questions such as health policies.
3. **Engagement:** when the public is given the opportunity and the necessary resources (e.g. information, data and digital tools) to collaborate during all phases of the policy cycle and in service design and delivery. Engagement is a relationship based on a partnership between citizens and governments. The public actively engages in defining the process and content of policymaking. Like consultation, engagement is based on a two-way interaction, but it acknowledges equal standing for citizens in setting the agenda, proposing policy options and shaping the decisions – although the responsibility for the final decision or policy formulation in many cases remains the prerogative of public authorities. This level of participation can refer to, for example, representative deliberative processes or participatory budgets at the local level.

Table 1.1. Existing participatory mechanisms in the Czech Republic according to the OECD ladder of participation

Name/type of participatory mechanism	Description	Citizens/stakeholders	Level of participation
Open Data Portal	Digital platform with public information and data in an open data format.	Citizens and stakeholders	Information
Public hearings	Participatory mechanism open to any interested party, to exchange opinions and ideas between participants to inform and discuss government decisions.	Citizens and stakeholders	Consultation
Public consultations	Participatory mechanisms where the organising public authority aims at gathering inputs, opinions and ideas from citizens and stakeholders on a specific question or decision.	Citizens and stakeholders	Consultation
Advisory and working bodies (PPOVs, for the Czech acronym)	Permanent bodies with both governmental and non-public stakeholders mandated to participate in formulating and evaluating public policies.	Stakeholders	Consultation
Open Government Partnership (OGP) Process	Participatory process for the OGP Action Plan, which includes consultation and co-creation steps, with online and in-person mechanisms.	Citizens and stakeholders	Consultation and engagement
Roundtables	Mechanisms for debate and negotiation with the participation of both governmental and non-public stakeholders to prevent, mediate and solve social conflicts.	Citizens and stakeholders	Consultation
Participatory budgeting	Mechanisms that allow citizens and stakeholders to influence public decisions through the direct allocation of public resources to priorities or projects. It is usually organised at the subnational level and can include several stages, such as deliberative assemblies, digital voting platforms and co-creation workshops.	Citizens and stakeholders	Engagement

Citizens and stakeholders, two important but distinct types of participants

The OECD defines the different actors that public institutions can involve in their participatory mechanisms as:

- **Stakeholders:** any interested and/or affected party, including: institutions and organisations, whether governmental or non-public, from civil society, academia, the media or the private sector.
- **Citizens:** individuals, regardless of their age, gender, sexual orientation, religious and political affiliations; and in the larger sense, “an inhabitant of a particular place”, which can be in reference to a village, town, city, region, state or country depending on the context.

The participation of citizens and/or stakeholders are both equally important; however, they should not be treated equally (OECD, 2022^[1]; 2022^[10]). No value or preference is given to citizens or stakeholders in particular, as both types of public can enrich the government’s decisions, policies and services. Nevertheless, each type of participant requires different conditions to participate and will not produce the same type of input (OECD, 2022^[10]). For example, stakeholders can provide expertise and more specific inputs than the broader public, and can represent specific sectors of society through mechanisms such as advisory bodies or expert panels. Stakeholders are often driven by specific interests linked to the group they represent or the values they are supposed to embody. Citizens can provide a general understanding of the needs of the population, support legitimacy and trust in decisions, and enhance representation and inclusion (OECD, 2020^[11]).

Participation can inform decision-making, improve public decisions and promote trust

The decision-making process is as important as the outcomes themselves for reasons both of efficacy and equity. Participation in the process can bring in the views of all stakeholders – from those who will be implementing to the final beneficiaries (OECD, 2011^[12]). OECD countries’ experience indicates that participation can improve policy performance and the quality of public services by helping governments to better understand people’s needs, tapping into collective intelligence for innovation, creating more cost-efficient policies and enhancing policy implementation (OECD, 2009^[13]; OECD, 2020^[11]; OECD, 2016^[5]). The benefits of participation can be understood as (OECD, 2022^[10]; 2016^[5]):

- **Intrinsic benefits (i.e. a better and more democratic process)** refer to the idea that participation can improve and democratise the process of public decision-making. This, in turn, can contribute to increasing the legitimacy of public decisions, supporting policy implementation and evaluation, and tapping into collective intelligence for innovation and creativity.
- **Instrumental benefits (i.e. better results)** refer to the idea that participation can improve the quality of policies, laws and services, as they are elaborated, implemented and evaluated based on better evidence and a more informed choice. Participation can give the “silent majority” a voice in public decision-making, addressing inequalities of voice and access, fighting exclusion and marginalisation, and thus ensuring democracies deliver to all.

Ultimately, giving citizens and stakeholders a voice in taking the decisions that will affect their lives (beyond elections) and ensuring that their voice has an impact on the final decision can impact trust in government and strengthen democratic institutions (Mejia, 2020^[14]).

Defining citizen and stakeholder participation in the Czech context

The national government of the Czech Republic currently does not have a single official definition, typology or classification for citizen participation and/or stakeholder participation. In their answers to the OECD questionnaires and during interviews conducted as part of the OECD fact-finding mission, public officials from different ministries provided diverging definitions of what they considered to be citizen and

stakeholder participation. Public officials often confused the concept of citizen and stakeholder participation with those of transparency/lobbying/influencing.

The Czech Republic's methodology for public involvement in the preparation of government documents from 2009 (see below) refers to "four levels of public involvement" (namely, "informing", "reminding", "consulting" and "partnership") and provides ample explanations of what each of these levels involves in practice. However, the methodology does not seem to be used widely. Some Czech ministries reported rather using the definition of participation promoted by the OECD (which refers to three levels of participation as presented above) or the IAP2 spectrum (which refers to five levels).

The absence of a common definition of what constitutes (non-electoral) participation can represent an obstacle to the harmonious implementation of participatory policies and practices across the public sector. Building on the existing definitions and typologies mentioned above, the Czech Republic could consider adopting a single definition of citizen and stakeholder participation. Such a single definition can inform the public about the extent and limitations of participation and align all stakeholders and policymakers towards the same goals (OECD, 2022^[1]). A common definition can further facilitate a more robust analysis of the impacts of participatory practices across different institutions and levels of government and support international comparisons (*Ibid.*). In order to design its single definition of citizen and stakeholder participation, the Czech Republic could consider organising a participatory process, for example by using existing mechanisms such as the Multi-stakeholder Forum created for the OGP process. Involving the Multi-stakeholder Forum could ensure the creation of stronger links between an eventual participation agenda and the wider open government agenda, as further discussed below.

Once adopted, the single definition should be communicated widely to ensure that all public officials and non-public stakeholders are aware of and use it. The definition should be used and referred to in all newly adopted policy documents and could eventually even be included in a legal document. Moving towards a single definition does not mean that all institutions necessarily have to use exactly the same definition. Instead, it implies that all public and non-public stakeholders share a common understanding of what participation does (and does not) entail and work towards a shared vision.

Protecting and promoting civic space to enable participation in the Czech Republic

It is not enough for governments to decide they want to engage more with citizens. Evidence collected by the OECD shows that they also need to create an environment in which this is possible and in which citizens are willing and able to come forward and engage with public officials. This means that individual rights (particularly freedoms of expression, peaceful assembly, association) need to be respected (*de jure* and *de facto*); complaint mechanisms need to function; information and data need to be made available; the rule of law needs to be respected; journalists need to be able to analyse and critique government decisions; protesters need to be able to air their views in safety; and civil society organisation/activists/human rights defenders need to be able to operate without fear of violence, retribution or interference, etc. (OECD, 2021^[15]).

A non-protected civic space can contribute to a polarised atmosphere, which hinders the quality of the interactions between non-public stakeholders (including citizens, non-governmental organisations, the media, etc.) and public authorities. The closing of the civic space can have a direct impact on the level of inclusion of participation. As part of the OECD Recommendation of the Council on Open Government, the OECD invites countries to protect their civic spaces (both offline and online) in order to allow for equal, informed, secure and inclusive participation.

While a full analysis of the protection and promotion of civic space goes beyond the scope of this chapter (and could be the subject of an OECD Open Government Review or an OECD Civic Space Scan), available

international indicators in the field can shed some light on the status quo of civic space in the Czech Republic. The Economist Intelligence Unit Democracy Index 2021 ranks the Czech Republic 29th out of 167 countries. V-Dem's 2021 Liberal Democracy Index ranks the country 31st out of 179, although it does warn of the decay of democratic qualities, deeming it an “autocratising” country (V-Dem-Institute, 2021^[16]).

Indicators further show that the Czech Republic is notable when it comes to the rule of law and freedom of the press. Freedom House gives it a score of 91/100 in its 2022 Freedom in the World Index (Freedom House, 2022^[17]), and the World Justice Project's Rule of Law Index ranks the country 22nd out of 139 countries (World Justice Project, 2022^[18]). Similarly, Article 19's freedom of expression report deems it an “open” country, ranking it 23rd out of 161 ranked countries in 2021 (Article 19, 2021^[19]). Reporters without Borders' World Press Freedom Index 2022 ranks it 20th out of 180, with a score of 80.54 out of 100 (Reporters Without Borders, 2022^[20]). Finally, the CIVICUS monitor, a tool to track civic space around the world, considers the Czech Republic's civic space to be “narrowed” in 2022, in line with many other OECD countries like France and the United Kingdom (CIVICUS, 2022^[21]).

Box 1.1. OECD work on the protection and promotion of civic space as an enabler of open government reforms

The OECD defines civic space as the set of legal, policy, institutional and practical conditions necessary for non-governmental actors to access information, express themselves, associate, organise and participate in public life. The OECD recognises a healthy civic space as a precondition for and facilitator of open government initiatives. Governments must ensure that their civic space is open, protected and promoted through clear policies and legal frameworks that set out the rules of engagement between citizens and the state, framing boundaries, and defending individual freedoms and rights (OECD, 2016^[5]).

In 2019, the OECD and its partners launched the OECD Observatory of Civic Space to promote and protect civic space as a precondition for good governance and inclusive growth. In this regard, the OECD is currently in the process of publishing a *Global Civic Space Report* (forthcoming), which outlines key trends in the field. The OECD also provides Civic Space Scans for selected countries. A Civic Space Scan is a qualitative assessment of the laws, policies, institutions and practices that support civic space in OECD member and partner countries. Designed to protect fundamental freedoms and promote good practice, the scans are accessible studies that include tailored, timely and actionable recommendations to help governments respond to evolving challenges and opportunities in their efforts to protect and promote civic space. The first civic space scan has been published for Finland (OECD, 2021^[15]). Civic space scans are ongoing for Portugal, Romania and Tunisia.

Sources: OECD (2016^[5]; 2021^[15]).

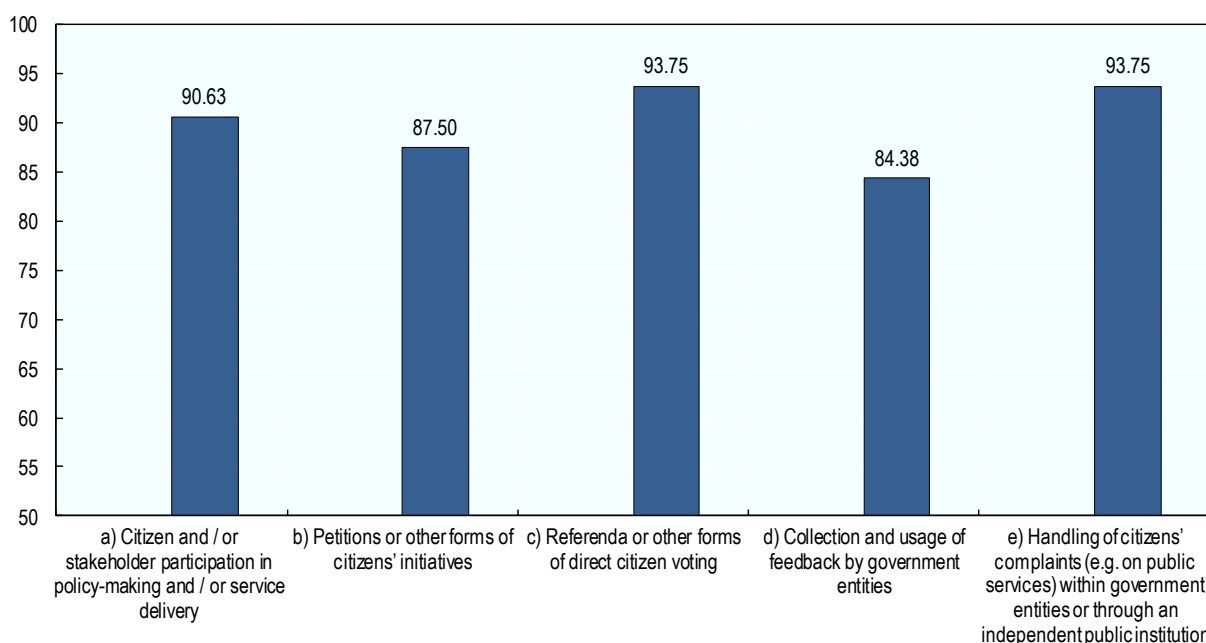
Strengthening the enabling environment for participation in the Czech Republic: Moving from *ad hoc* practices to institutionalised mechanisms

The enabling environment for citizen and stakeholder participation consists of the set of rules, procedures and institutions that enable the organisation and implementation of participatory processes (OECD, 2022^[11]). To ensure that participation goes beyond *ad hoc* and one-off initiatives (that are often dependent on political will or individual people), efforts need to be made to institutionalise participatory practices. Structural changes to make participation an integral part of the democratic architecture can be a way to promote a lasting transformation and take steps towards creating a participation culture (OECD, 2022^[10]).

The Czech Republic has a relatively small body of legal and regulatory provisions foreseeing citizen and stakeholder participation in public decision-making

Across the OECD, forms of democratic participation, i.e. political rights (elections, petitions, referenda, etc.), are usually regulated by law (or in the Constitution). Most OECD countries have also put in place legal requirements to involve citizens and stakeholders in law- and regulation-making and in specific policy processes (e.g. the environment, infrastructure, land use) (OECD, 2020^[22]). Often, provisions relating to citizen and stakeholder involvement can even be found in countries' constitutions or founding documents. Moreover, laws sometimes regulate specific participatory practices (e.g. the Government in the Sunshine Act in the United States from 1976 or the Participatory Budgeting Law in Peru from 2003). As evident from the results of the OECD Survey on Open Government (OECD, 2021^[23]), the Czech Republic's constitutional and legal framework covers the different areas of citizen and stakeholder participation (Figure 1.1).

Figure 1.1. Availability of legal provisions regarding citizen and stakeholder participation in OECD countries



Note: N=32. Figure in per cent.

Source OECD (2021^[23]).

The Czech Constitution from 1993 stipulates that “all state power emanates from the people and the people exercise it through legislative, executive, and judicial bodies” (Article 2, Paragraph 1) and it, for example, protects the right to vote and the right to be elected under Articles 18-20. Unlike those of many other OECD countries, the Czech Constitution does not explicitly provide for citizen and stakeholder participation in policymaking and/or service delivery. The foundation for this kind of participation is laid in the Charter of Fundamental Rights and Freedoms from 1992, which is part of the constitutional order of the Czech Republic. The charter states “citizens have the right to participate in the administration of public affairs either directly or through the free election of their representatives” (Article 21). The Charter of Fundamental Rights and Freedoms further contains a chapter devoted to political rights, including the right to information (Article 17); right to petition (Article 18); right to assembly (Article 19); right to association

(Article 20); free competition of political parties (Article 22); and the right to resist, under specific circumstances, anyone who seeks to dismantle the democratic system of human rights and fundamental freedoms (Article 23). Building on the constitutional order, the Czech Republic has adopted a wide body of laws that regulate the right to vote and forms of democratic participation, such as referenda at the local level (a discussion of these laws is beyond the scope of this chapter).

In terms of citizen and stakeholder participation in public decision-making, the Czech Access to Information Law from 1999 (Act No. 106/1999) is an essential pre-condition for informed citizen and stakeholder participation. Moreover, the Government Legislative Rules, which regulate the process of drafting new legislation by ministries and other government institutions, stipulate that the drafting process must include an assessment of the impact of the new legislation. Details of the assessment process are set out in a guidance document entitled *General Principles of Regulatory Impact Assessment*, which highlights that there must be a procedure for stakeholder consultations. Along similar lines, the Access to Environmental Information Law from 1998 (Act No. 123/1998) enables people to gain information about “state and development of environment, about causes and impacts of the state and development”, including international agreement and commitment, programmes, finance, legislation, strategies, background analysis, etc.

A small body of laws also regulates the participation of specific targeted groups in society. For example, Article 6(1) of Law 273 from 2001 on the rights of members of national minorities and amendment of some acts establishes that “Members of a national minority have the right to their active participation in cultural, social and economic life and public affairs, especially those concerning national minorities whose members they are, and this at the level of community, region and state as a whole”. The same article further states that “Members of a national minority exercise their right according to Paragraph 1, especially by means of committees for national minorities established according to special legal regulations and the government’s Council for National Minorities” (see also the discussion on the councils below). Unlike in many other OECD countries, in the Czech Republic, the involvement of citizens and stakeholders in specific policy areas (e.g. health, transport, education, etc.) is rarely regulated. A notable exception to this is Law No. 100/2001 Coll., on Environmental Impact Assessment and on Amendments to Certain Related Acts, which foresees participation in environmental policymaking and the Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (the “Aarhus Convention”), which the Czech Republic signed in 1998 and ratified in 2004.

Reviewing the legal and regulatory framework to enable more effective participation

While traditional forms of democratic participation are well institutionalised (voting, being elected, referenda, etc.) in the Czech Republic, there is room to deepen and broaden the legal and regulatory framework for citizen and stakeholder participation throughout the policy cycle and in service delivery. Notably, when reviewing and/or amending existing laws, the Czech Republic could consider including additional provisions mandating the consultation and/or engagement of citizens and stakeholders in the policy process. In addition, specific attention should be paid to including participatory elements into any newly designed legislation. A mandatory “participation check” to ensure that all legislative documents are designed in a participatory way and that new legislation includes a provision related to participation (when relevant) could be conducted by a potential new Government Council for Citizen and Stakeholder Participation (see below).

In the medium to long term, to create a uniform framework and clarify public institutions’ and citizens’ rights and obligations, the Czech Republic could also consider adopting a dedicated decree or a law on citizen and stakeholder participation in public decision-making, as done by a small but growing number of other OECD countries (Box 1.2). In particular, a law or decree on citizen and stakeholder participation could be used to expand on existing legal provisions, foster the adoption of a uniform definition of participation, inform about rights and obligations (e.g. mandatory consultations), list the mechanisms for citizens to

exercise their rights to participate (e.g. advisory bodies), and build an institutional architecture to govern the participatory agenda (e.g. inter-institutional co-ordination). OECD countries' experiences show that a unified and coherent legal framework for participation can support awareness of participatory practices, improve levels of engagement and increase trust in their outcomes (OECD, 2022^[1]).

Box 1.2. Legislation on citizen and stakeholder participation in OECD countries

At the national level, **Colombia** has passed two pieces of legislation that frame and harmonise participatory practices.

Law 134 of 1993 on Citizen Participation Mechanisms in Colombia

In 1993, Congress passed [Law 134 on Citizen Participation Mechanisms](#), regulating popular legislative and regulatory initiatives; referenda; public consultations at national, departmental, district, municipal and local levels; the revocation of mandates; plebiscites and citizens' assemblies. Law 134 of 1993 established the fundamental rules governing the democratic participation of civil organisations.

Law 1757 of 2015 on the Promotion and Protection of the Right to Democratic Participation in Colombia

The purpose of [Law 1757 of 2015 on the Promotion and Protection of the Right to Democratic Participation](#) is to promote, protect and guarantee the right to participate in political, administrative, economic, social and cultural life, and also to control political power. Article 2 stipulates that any development plan must include specific measures to involve people in decisions that affect them and to support different ways of organising society. Similarly, the management plans of public institutions should explicitly state how they will facilitate and promote the participation of citizens in their areas of responsibility. Law 1757 of 2015 created the National Council of Citizen Participation, which advises the national government on the definition, development, design, monitoring and evaluation of public policy on citizen participation in Colombia. The composition of the council ensures the representation of the national government (minister of the interior and the director of the National Planning Department), the subnational level (departments and municipalities) and several representatives from non-public stakeholders.

At the subnational level (federal state), **Mexico** has passed several laws regulating citizen participation. The most updated and ambitious legislation was passed in Mexico City.

Law on Citizen Participation of 2019 in Mexico City

This law establishes the different mechanisms that citizens and stakeholders have to participate in public decisions. The law frames citizen participation and establishes 20 mechanisms and instruments for its implementation organised by type of democracy: 6 mechanisms for direct democracy, 6 mechanisms for participatory democracy and 8 mechanisms for representative democracy. The instruments established by the law are diverse, among which public consultations, participatory budgeting, citizen assemblies and citizen initiatives. It also establishes the governance and institutional mechanisms to ensure the effective participation of citizens, with an open state approach, as it includes representatives from the executive, the legislative, the judicial and independent institutions. Lastly, the law regulates the use of digital tools for citizen and stakeholder participation.

Romania's Law on Decision-making Transparency

Romania's Law on Decision-making Transparency (Law 53/2002) obliges public institutions to consult with citizens and stakeholders across all policy areas. The law demands that central government authorities, such as ministries, but also local administrations, such as municipal governments, notify the public of any draft normative act. There are only a few exceptions when this is not necessary, for

example in the area of defence. Based on the draft act as well as obligatory background documents, all citizens and legal persons can submit their written suggestions and opinions during a period of at least ten calendar days. In addition, following the announcement of the intention to draft a normative act, public authorities are obliged to organise a public debate if requested by a legal person or another public authority. Lastly, public authorities can organise public meetings where issues of public interest are debated. These public meetings can be held on any topic that the public authority wishes to gain citizens' and other interested stakeholders' input on, also in an early stage of the policymaking cycle.

Sources: OECD (2021^[24]); IECM (2019^[25]); Parliament of Romania (2003^[26]).

Objectives and initiatives to foster citizen and stakeholder participation are scattered across multiple policy documents

Policy documents, such as strategies, national policies, institutional plans, memos, action plans, etc., give direction to a country's policy agenda, outline policy objectives, detail initiatives to achieve them, and facilitate monitoring and evaluation of reforms (OECD, 2022^[1]). Policy documents can further be a tool for harmonising practices across government, facilitating communication with internal and external stakeholders, and supporting accountability of public action (OECD, 2022^[1]). In the Czech Republic, a very high number of policy documents include objectives and concrete initiatives to promote more active involvement of citizens and stakeholders. The most important of them are summarised in Table 1.2 and discussed in the following sections.

Table 1.2. A non-exhaustive overview of relevant policy documents for citizen and stakeholder participation in the Czech Republic

Name of policy document	Date of approval/validity	Relevance	Web link
Strategic Framework Czech Republic 2030	Approved on 19 April 2019	Includes a strong commitment to strengthening participative and deliberative elements of democracy	https://www.vlada.cz/assets/ppov/ud-zitelny-rozvoj/projekt-OPZ/Strategic_Framework_CZ2030.pdf
Policy Statement of the Government	Approved on 6 January 2022	Includes a clear commitment to reinforcing democracy and some specific commitments to increase participation	https://www.vlada.cz/en/jednani-vlady/policy-statement/policy-statement-of-the-government-193762
Client-Oriented Public Administration 2030	Approved on 25 May 2020	Pursues the objective to establish a "public administration creating conditions for the participation of citizens in public affairs" and includes a strategic aim focusing on "Informed and engaged citizens" (Strategic aim 5)	https://www.mvcr.cz/clanek/koncepce-klientsky-orientovana-verejna-sprava-2030.aspx
Strategy for Co-operation Between the Public Administration and Non-governmental Non-profit Organizations 2021-2030 and Action Plan 2021-2024	Approved on 12 July 2021	Seeks to ensure suitable conditions for the existence and activities of civil society organisations and to strengthen co-operation between the public administration and civil society organisations	http://www.vlada.cz/cz/ppov/rmno/dokumenty/strategie-spoluprace-verejne-spravy-s-nestatnimi-neziskovymi-organizacemi-na-leta-2021-az-2030-189753 https://www.vlada.cz/assets/ppov/rmno/dokumenty/Strategy_NGO_ENG_fin.pdf
Action Plan of the Czech Republic Open Government Partnership for 2020 to 2022	Approved on 15 December 2020	Includes commitments to foster participation, including the development of a methodology for the participation of civil society representatives in participatory processes	https://korupce.cz/partnerstvi-pro-otevrene-vladnuti-ogp/narodni-akcni-plan-2020-2022/faze-vytvoreni

Name of policy document	Date of approval/validity	Relevance	Web link
Action Plan of the Czech Republic Open Government Partnership for 2023 to 2024	To be approved soon	Includes a commitment to “pilot the implementation of the Methodology of the Participation of NGOs in working and advisory bodies of the central authorities and in creation of their policy documents”	

The current Policy Statement of the Government and the Strategic Framework Czech Republic 2030 outline high-level commitments to increase levels of participation and deliberation

The current Policy Statement of the Government (Government of the Czech Republic, 2022^[27]) includes a clear commitment to reinforcing democracy, stating that “We want a state that is part of the democratic Europe and knows that the values of freedom and democracy must be actively promoted and defended”. Moreover, the Policy Statement includes a number of specific commitments to increase participation. Most notably, it highlights that the government “will introduce modern forms of public consultation on future and existing legislation” and “create an environment that supports a healthy lifestyle and design its implementation with the involvement of all relevant sections of society, especially insurance companies, schools, employers and the non-profit non-governmental sector”.

The Strategic Framework Czech Republic 2030 (Government of the Czech Republic, 2017^[28]), the country’s medium- to long-term development strategy, sets six priority areas for the development of the Czech Republic. It identifies good governance (priority axis 6) as a “basic prerequisite for long-term development” and states that it will “be necessary to strengthen all mechanisms by 2030 that (...) improve representative and strengthen participative and deliberative elements of democracy, strengthen data, knowledge and skill capacity of the public administration and develop a system for sharing data and information both inside the public administration as well as with citizens”. The strategic framework further outlines that “policies must be based not only on the results of quality scientific knowledge, but also on participation, i.e. involvement of the public having access to sufficient quality and comprehensible information” and it highlights that the participation of citizens and stakeholders in different policy areas (e.g. education, health) should be promoted.

Including objectives relating to participation in these high-level strategic documents gives the participation agenda a cross-policy perspective and visibility, and connects it with other government objectives. In this connection, the Strategic Framework intends to serve as an overarching framework for sectoral strategies and to inspire similar regional and local strategies.

Box 1.3. Good practice case: Citizen and stakeholder participation in the design of the Strategic Framework Czech Republic 2030 and the Open Government Partnership Action Plan 2020-2022

Strategic Framework Czech Republic 2030

Public consultations on the initial proposals started in May 2015. Hundreds of experts were involved in drafting the document, which was then consulted with more than 100 civil society, private, and academic organisations and institutions. The participatory process involved six roundtables (world café format), a digital consultation, a presentation of the draft in both chambers of the parliament and a discussion at the Government Council for Sustainable Development. Nine expert committees of the Government Council for Sustainable Development provided significant support in this process. The final version of the Strategic Framework Czech Republic 2030 was adopted by the government in April 2017.

The drafting of the Implementation Plan started in February 2017 through a broad participatory process (consisting of eight round tables/world cafés in the regions and a discussion in the Government Council for Sustainable Development committees) to ensure the engagement of all relevant actors on its form. It was adopted in the fall of 2018. A similar approach was applied in 2021, when the second Implementation Plan was drafted, although the structure of the discussions had to be rearranged for the new online environment due to COVID-19 restrictions.

Fifth Action Plan of the Open Government Partnership 2020-2022

The Government Anti-Corruption Council Chair's Working Commission for Open Government and State Administration Transparency, which brings together representatives of both the government and non-governmental sector, actively participated in all steps of the co-creation process of the Czech Republic's Fifth Open Government Partnership Action Plan.

The working commission approved and published the schedule for developing the Fifth Action Plan on korupce.cz in January 2020. The Ministry of Justice published a call for a public consultation which was shared on social media and organised a public workshop for in-person suggestions. This gave citizens and stakeholders one month for public comments. A total of 14 commitment proposals were received during the process, as well as one from the working commission.

The working commission discussed the proposals and consulted with the potential implementing agencies of the individual commitments. It then recommended which commitments to keep. These discussions were all captured in the minutes of its meetings, which were published online.

In September 2020, the draft Action Plan was sent for the interdepartmental comment procedure and to the members of the working commission for comment. At the same time, public consultations were again announced for a duration of ten working days, with a request for comments from the public. The action plan was subsequently adopted with five individual commitments.

Sources: Government of the Czech Republic (2020^[29]; 2017^[28]).

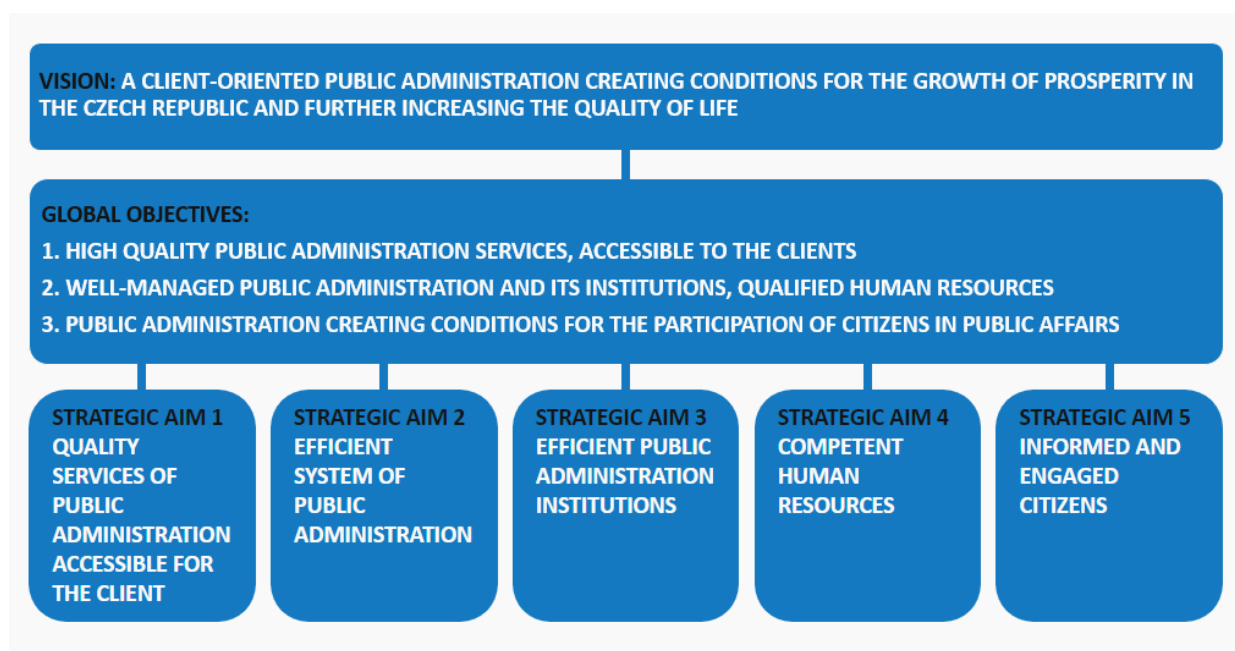
The Client-Oriented Public Administration 2030 strategy outlines a clear vision for more participatory governance

The Czech Republic's public sector reform strategy entitled Client-Oriented Public Administration 2030 (Government of the Czech Republic, 2020^[30]) is another key policy document for citizen and stakeholder participation. The strategy, which follows up on the Strategic Framework for the Development of Public Administration of the Czech Republic for the period 2014-2020, was approved by the government by Resolution No. 562 of 25 May 2020.

The strategy's vision statement highlights that, in 2030, "Citizens will be better informed about how to participate in public affairs, and *new tools for participation will be introduced*" and "citizens will have the possibility to evaluate the quality of public services". One of the strategy's global objectives is to establish a "public administration creating conditions for the participation of citizens in public affairs" and it includes a strategic aim focusing on "Informed and engaged citizens" (Strategic aim 5). The introductory text to Strategic aim 5 highlights:

*In recent years, there has been a long-term decrease of interest in participation through the two dominant instruments of liberal democracy – elections and membership in political parties. This is also associated with a generally declining or stagnant level of trust in political institutions and elected representatives. Therefore, **the public's awareness of the possibilities of participation needs to be continuously increased, as does the public administration's awareness of less traditional tools of participation, whose wider use will be stimulated.** The functioning of local democracy will also be examined.*

Figure 1.2. The vision, objectives and strategic aims of the Client-Oriented Public Administration 2030 strategy



Source: Author's work based on Government of the Czech Republic (2020_[30]).

The Czech Republic should be commended for making fostering citizen participation a key objective of its Client-Oriented Public Administration 2030 strategy. As the strategy remains relatively abstract, the government plans to adopt recurrent action plans to implement it. In this regard, the concept paper on the strategy and its first Action Plan for 2021-2023 outline some concrete initiatives under Objective 5 "Informed and engaged citizens" and more specifically under Objective 5.2 "Raise awareness of the possibilities of citizens' participation in public events, facilitate these opportunities", including following high-impact initiatives under the leadership of the Ministry of the Interior:

- **Dissemination of knowledge about forms of possible participation of the population in public events.** The concept paper foresees a brochure, which will present to citizens possible forms of their participation in public events, both traditional and less traditional. The brochure will be accompanied by an awareness-raising campaign. It will be available at all public offices and will be distributed to relevant non-profit organisations and disseminated at thematic events, etc.

- **Methodical guidance of the application of less traditional tools of participation in the public administration.** The concept paper foresees a methodology to introduce “non-traditional participatory tools” into policy processes, recommend appropriate forms for specific situations differentiated into state and local government bodies, and provide guidance on how best to implement these tools, including identified best practices at both levels of the public administration.

The Strategy for Co-operation Between the Public Administration and Non-governmental Non-profit Organisations 2021-2030

In 2020/21, the Secretariat of the Government Council for Non-Governmental Non-Profit Organisations prepared a strategy focusing on the public administration’s co-operation with non-public stakeholders, and most notably, with the non-profit sector. The **Strategy for Co-operation Between the Public Administration and Non-governmental Non-profit Organisations 2021-2030** (Government of the Czech Republic, 2021^[31]) is a medium- term policy document that follows up on the State Policy towards non-governmental non-profit organisations for the years 2015-2020 and seeks to ensure suitable conditions for the existence and activities of civil society organisations and to strengthen co-operation between the public administration and civil society organisations.

The strategy has the vision of establishing non-governmental organisations (NGOs) as stable and key partners of the public administration in meeting the needs of Czech society. It has three strategic goals:

1. improving the social climate for NGO activities
2. promoting effective partnership and co-operation between the public administration and the non-profit sector
3. ensuring and maintaining suitable conditions for the existence and activities of NGOs.

The strategy is aligned with the objectives formulated in key high-level policy documents, such as the Strategic Framework Czech Republic 2030. Its formulation was based on two background studies, expert individual and group meetings, and public consultations. It is being implemented through periodic implementation documents. The current action plan covers the period 2021-24 and the main implementation responsibilities lie with the Department of Human Rights and Protection of Minorities and the Secretariat of the Government Council for Non-Governmental Non-Profit Organisations within the Office of the Government. Overall, the action plan includes 37 measures, ranging from creating and implementing a methodology for the participation of civil society representatives in participatory processes (Measures B1.1 and B1.2) to raising awareness of the benefits of NGO projects and activities that are funded by the state budget (Measure A.2).

While the design of this strategy can be considered a good practice, interviews conducted during the OECD fact-finding mission revealed that its use is currently limited. Some interviewed civil society stakeholders were even unaware of its existence. Moving forward, it will be important to fully embed the strategy in a wider participation agenda.

The OGP action plans have been underused as a platform to promote participatory approaches

As a member of the OGP, the Czech Republic has to develop biannual national OGP action plans. In line with OGP rules and guidelines, these action plans must be the product of a co-creation process in which government institutions and civil society work together to design commitments to foster open government principles. Across the OECD, OGP action plans have become the most common form of action-oriented policy framework for promoting openness (OECD, 2020^[22]). At the time of writing, 29 out of 38 OECD countries were members of the OGP. The Czech Republic has been a member since 2011 (through Government Resolution No. 691 of 14 September 2011). Under the leadership of the Ministry of Justice,

between 2011 and 2022, the country adopted and implemented five OGP action plans, producing some notable outputs.

Like in many other OECD countries, in the Czech Republic, only a small number of commitments of the action plans have focused specifically on fostering citizen and stakeholder participation (past action plans often had a focus on open government data and/or issues relating to integrity and the fight against corruption). Notably, the **current OGP action plan of the Czech Republic for 2020 to 2022** includes the following two relevant commitments:

1. development of a methodology for the participation of civil society representatives in participatory processes
2. consultations on the possibility of creating a comprehensive, publicly accessible open data aggregated database of providers and recipients of public funds from grant titles.

Moving forward, OGP action plans could be used more strategically to put the topic of citizen and stakeholder participation on the agenda of public institutions. In this regard, it could consider using the OGP action plans as a platform to promote high-impact initiatives that are linked to citizen and stakeholder participation and to implement the high-level policy objectives of the strategies described above (e.g. Strategic Framework Czech Republic 2030). For example, as done by countries such as Tunisia, the Czech Republic could consider including a commitment to design an integrated open government strategy (with a strong participation component) or a dedicated participation agenda (as recommended below) in one of its next OGP action plans.

The Czech Republic has a panoply of policy documents targeting the participation of specific groups of society

The Czech Republic has designed a wide range of strategies targeting particular groups of society, many of which include at least a political commitment and, sometimes, concrete initiatives to foster participation in public policy making. For example, the Czech Republic's Gender Equality Strategy (2021-2030) includes the objective to "Increase the participation of civil society in creating policies in the field of gender equality" (Objective 4.4), while the country's Social Inclusion Strategy (2021-2030) has the objective to "strengthen the participation of people who are socially excluded or at risk of social exclusion in decisions to address social exclusion". Similar objectives can also be found in the National Plan for Equal Opportunities of Persons with Disabilities (2021-2025).

Designing a dedicated open government strategy

The existing multiplicity of policy documents that include a political commitment (and/or concrete objectives) to foster the involvement of citizens and stakeholders in public affairs and strengthen participatory approaches to policymaking is, as such, very positive and testimony of a general interest in fostering relationships with citizens and stakeholders throughout the policy cycle by the Czech government. However, evidence collected during the OECD fact-finding missions highlights that the existing policy framework faces numerous implementation challenges. Notably, the policy documents and their associated action plans are often not fully implemented and lack visibility/remain unknown across the administration and the wider society.

Furthermore, while some degree of fragmentation is normal (and even desirable, as it can be seen as proof of mainstreaming participatory practices), the degree of fragmentation in the Czech Republic is very high. Over time, and as is done in other policy fields such as anti-corruption, the Czech Republic could consider moving towards the creation of a dedicated citizen and stakeholder participation agenda that provides an umbrella for all the existing policies under implementation. The agenda could, for example, be coupled with the design of a broader open government strategy, like in numerous OECD countries, including Colombia, Costa Rica and Finland, in the recent past (Government of Finland, n.d.^[32]; Presidency of Costa

Rica, 2015, as amended^[33]; OECD, 2021^[34]). The design of such an open government strategy with a strong participation axis would anchor the participation agenda in a broader context and ensure that synergies with initiatives that aim to promote transparency and accountability are fully exploited. In particular, a holistic and integrated open government strategy could include:

- a common definition and vision for citizen and stakeholder participation in the Czech Republic
- guidance for public institutions to include participation in their Institutional plans and policies
- concrete actions and commitments to involve citizens and stakeholders in policymaking and service delivery
- mechanisms and tools to support the implementation of participatory practices and their impact (i.e. guidelines on public communications, toolkits for participatory practices, etc.)
- clear milestones and objectives (i.e. number of public consultations, increase in number and diversity of participants, etc.)
- set standards for monitoring and evaluating participatory practices, allowing for a more evidence-based evaluation and supporting an informed reform of the participatory system in the Czech Republic.

Box 1.4. The benefits on a whole-of-government open government strategy

An open government strategy ensures whole-of-government policy coherence

An open government strategy (OGS) can provide the umbrella for all open government initiatives implemented in a country and ensure that they follow similar methodological guidelines and contribute to a shared vision of openness. As such, a whole-of-government OGS, besides putting new initiatives in place, makes those policies and initiatives that public institutions are already implementing more coherent and stronger by working together under the same coherent (and powerful) narrative and methodological setting.

An open government strategy ensures efficiency and intra-institutional knowledge sharing

An OGS is a tool to save resources and reduce costs. Government institutions spend time and public resources trying to develop solutions that might already be in place or build on lessons learnt by other administrations that have already successfully implemented certain reforms. An OGS helps to intensify efforts to create collaborative solutions to shared problems. A concerted OGS can help public institutions elaborate a common understanding and shared standards relating to open government, thereby harmonising practices. As such, an OGS can enable the government to achieve outcomes – at a lower cost – that would not be possible to achieve if institutions work in isolation.

An open government strategy enables collaboration and co-ordination

The main purpose of whole-of-government frameworks is to enable different government entities to pursue joint objectives in a co-ordinated manner. The Australian government defines whole-of-government as “public service agencies working across portfolio boundaries to achieve a shared goal and an integrated government response to particular issues”. An OGS that includes clearly assigned responsibilities to the identified goals and objectives can be a valuable co-ordination and collaboration instrument.

An open government strategy acts as a tool for mainstreaming

The design and implementation of an OGS give visibility to the concept of open government and put open government reforms on the agenda of all public institutions. An OGS, hence, mainstreams an openness culture by spreading and implementing the values and principles of open government across

the entire administration and all policy areas. In addition, it communicates to civil servants, citizens and stakeholders that the government embraces a new understanding of how the state is run. As such, an OGS creates a powerful, compelling, coherent narrative that inspires policymakers to champion open government reforms in their own areas of work. Lastly, an OGS can help civil servants and citizens better understand the added value and concrete output of open government by applying it to the policy area of their interest and expertise.

An open government strategy is a formidable governance tool

An OGS allows for effectively managing a country's open government agenda. The development of an OGS is usually led by a high-level official (e.g. minister, secretary general, senior appointee, inter-ministerial delegate, etc.) and accompanied by concrete efforts to create institutional and governance mechanisms (e.g. inter-ministerial committees; monitoring and evaluation mechanisms, training modules, human resources performance evaluations; budget allocations, etc.). The high-level commitment of a politician can also foster the impact of the strategy (as per the resources, mobilisation power and symbolism). In addition, adopting an OGS empowers a person or office that will present the open government agenda to the wider public, monitor the follow-up, and be the point of contact for the press and the broader public.

An open government strategy functions as a tool for public accountability

An OGS commits the government to certain key reforms and creates pressure for institutions to deliver. At the same time, a strategy that commits the government to concrete, ambitious but feasible outcomes can be a message to citizens emphasising that this is a serious endeavour. Identifying milestones and indicators allows stakeholders to monitor the government's implementation efforts and analyse its compliance with the strategy's objective. Hence, the strategy and its commitments are a tool for stakeholders to hold the government accountable and avoid "open washing". In addition, civil society can channel its demands through the strategy.

An open government strategy can give long-term sustainability to the open government agenda

The lack of a coherent national strategy can undermine the long-term sustainability of open government reforms and lead to government instability. If designed for the long term, an OGS can give open government a non-political value and anchor the implementation of open government principles in internal action plans that can continue without high-level political support.

Source: OECD (2020^[22]).

Institutional responsibilities for citizen and stakeholder participation need to be clarified

Institutional responsibilities for citizen and stakeholder participation differ widely across OECD member and partner countries (OECD, 2022^[1]). They usually depend on the administrative and institutional architecture and the historical development of the participation agenda (*Ibid*). In most cases, responsibilities for citizen and stakeholder participation are decentralised, with several offices sharing parts of the mandate. Evidence from the 2020 OECD Survey on Open Government (OECD, 2021^[23]) shows that all of the 30 OECD countries that responded to this part of the survey had a different office(s) or institution(s) with responsibilities for citizen and stakeholder participation. For example, all governments surveyed provide support to public institutions on how to consult and engage with citizens and stakeholders, 27 countries (90%) have an office in charge of strengthening relationships between government and civil society, and 25 (83%) provide technical support to public institutions on the use of digital technologies.

Creating central co-ordination for citizen and stakeholder participation

In the Czech Republic, responsibilities for citizen and stakeholder participation are distributed, to a certain extent, among different ministries. Notably, the Ministry of the Interior plays a key role in setting up and overseeing legal frameworks for citizen participation, in particular at the local level, and has been leading the implementation of the Strategy Client-oriented Public Administration 2030, which has an important participation component. The Regulatory Impact Assessment Unit (“RIA Unit”) at the Office of the Government is responsible for methodological guidance on stakeholder participation for the central administration. For example, the RIA Unit updates and maintains the voluntary online database of stakeholders called DataKO, where NGOs and other stakeholders that wish to be consulted by central government institutions can sign up. In turn, the Office of the Government provides the Secretariat for the Government Council for Non-Governmental Non-Profit Organisations.

In addition, the Ministry of Justice co-ordinates citizen participation processes with regard to the Czech Republic’s membership in the OGP, most notably by overseeing the co-creation and implementation of OGP national action plans. The Ministry of Justice also ensures the Czech membership in the OECD Working Party on Open Government. Ministries with important responsibilities (and experience) regarding participation in their respective policy fields include the Ministry of the Environment and the Ministry of Regional Development.

Public authorities and non-public stakeholders interviewed for this review raised concerns about the lack of clarity and consistency on the institutions leading the participation agenda. Individual public officials that wish to organise a participatory process face difficulties identifying who to turn to for support. To raise levels of implementation, harmonise practices across public institutions, and provide public institutions and officials with additional practical support, the Czech Republic could move towards the creation of a centre of expertise on citizen and stakeholder participation. In addition to providing guidance and technical tools to public institutions (e.g. through handbooks, manuals, toolboxes, etc.), the centre of expertise could foster monitoring and evaluation of participatory practices. It could, for example, be located in the Office of the Government (taking advantage of being part of a key centre of government institution) or in the Ministry of the Interior. Box 1.5 details the example of the Centre of Citizen Participation in France, an inter-ministerial centre of expertise that provides technical support as well as a platform for participation and a community of practice to share good practices among public servants.

Box 1.5. Centre of Citizen Participation in France

The Inter-Ministerial Directorate for Public Transformation (DITP) is the public institution in charge of the open government and participation agendas in France. In 2019, it created the Centre of Citizen Participation (Centre de la Participation Citoyenne) as a centre of expertise, a physical space and a community of practice for all public servants.

- **A centre of expertise:** The DITP provides public officials and civil society technical support and guidance to implement participatory processes. Public officials have access to knowledge resources, examples and templates to organise participatory mechanisms, as well as ready-to-use digital tools. As part of this centre, the DITP has dedicated teams to support the organisation of participatory processes by other public institutions as well as to train public officials and interested stakeholders.
- **A digital platform for participation:** The DITP has established a centralised platform for participatory opportunities at the national level. The platform allows citizens to easily find opportunities and monitor the impact of their participation. It also allows public authorities to provide feedback and communicate about their participatory opportunities on a simple and harmonised platform.

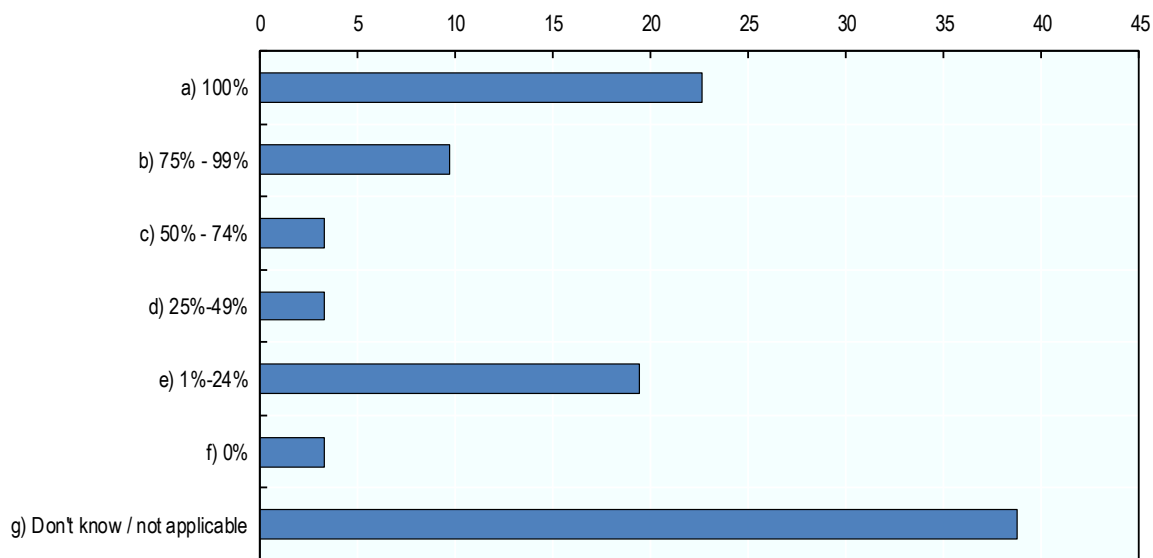
- **A physical space:** The Centre of Citizen Participation is a physical space open to public institutions, civil society and citizens. Public authorities can use this space to organise meetings or any other activity with citizens and stakeholders.
- **A community of practice:** The DITP has put in place a digital hub to group the communities of practice related to open government and state modernisation. With more than 50 communities, the hub allows all public officials to discover and join the communities that interest them, according to topics of interest (participation, digital services, collective intelligence, design thinking, etc.) or a geographical area.

Source: Based on interviews with the French Inter-Ministerial Directorate for Public Transformation.

Clarifying responsibilities for participation at the level of each individual public institution

According to data collected through the 2020 OECD Survey on Open Government, there is an ambivalence in OECD countries regarding the percentage of ministries with a dedicated person/office in charge of overseeing and co-ordinating their institutions' participatory processes. While just over one-fifth of countries (22.5%) indicate that all ministries have such staff in place, an equal share states that this is the case for none or only up to one-quarter of ministries. Like most other OECD countries, the Czech Republic answered that it did not know the percentage of government ministries at the central/federal level with dedicated staff in charge of citizen and stakeholder participation (Figure 1.3).

Figure 1.3. Percentage of ministries in OECD countries with dedicated staff for citizen and stakeholder participation



Note: N=31. Preliminary data. In per cent.

Source: OECD (2021^[23]).

Evidence collected during the OECD fact-finding mission confirmed that, indeed, most Czech public institutions do not have such a person or office. Participatory practices are currently mostly carried out on an *ad hoc* basis by interested/committed public officials and the organisation of participatory processes is usually added to the existing duties of public officials.

In line with the recommended creation of a centre of expertise on citizen and stakeholder participation, the Czech government could mandate the establishment of a unit or person dedicated to citizen and stakeholder participation in every public institution (e.g. through a citizen and stakeholder participation law or decree, as suggested above), as done by OECD member and partner countries. Box 1.7 gives an example from Romania. This unit or person would be responsible for ensuring the implementation of the existing legal and policy framework relating to participation; harmonising practices across their institution; and providing support across the organisation. The unit or person could further participate in the recommended community of practice on participation and be delegated to the Government Council on Citizen and Stakeholder Participation.

Box 1.6. Citizen and stakeholder participation in the German Federal Ministry of the Environment

In Germany, citizen and stakeholder participation processes have traditionally taken place at subnational levels of government. Having joined the Aarhus Convention in 2007, the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV) – Germany’s ministry for environmental issues – has become a pioneer of the country’s efforts to involve citizens and stakeholders in the development of environmental policy programmes and strategies at the national level.

In 2012, the ministry created a specialised unit on citizen participation. Typically, the processes organised by this unit are a mixture of in-person deliberation and online consultation. During the deliberative process, citizens come together in small groups and are introduced to the topic by experts on the subject matter. On this basis, they discuss the problem and try to develop suggestions and recommendations. To increase outreach, the BMUV organises these events multiple times and at several locations throughout Germany. Alternatively, citizens can provide input through online consultations on the ministry’s website.

The BMUV ensures the inclusion of diverse interests and preferences in its participatory processes by reaching out to randomly dialled telephone numbers and contacts from resident registration offices, thus aiming for a representative group of citizens. Besides selection processes that aim for a representative sample of participating citizens, there are also certain selection processes for which citizens can apply to bring in their expertise. The results of these participation processes are condensed in so-called “citizen counsel” (“Bürgerratschläge”) addressed to the BMUV. Participants stay informed about how their input is being integrated as recommendations into policy papers and strategies through feedback papers. They are also notified in case their recommendations lead to political follow-up processes.

A special form of citizen consultation can occur in the framework of environmental impact studies (“[Umweltverträglichkeitsprüfung](#)”) that have to be implemented for qualified cases, e.g. when it is known that a rare species of animals is living nearby a proposed infrastructure project. While information is provided for the general public, only directly affected stakeholders are invited to provide their opinion on the drafting of this impact study. The impact study then feeds into the remainder of the political decision-making process and must be integrated into the final decision in the form of a reasoned evaluation of that report.

To date, participatory processes at the BMUV have been successfully implemented in many initiatives, among them the “Integrated Environmental Programme 2030” and the “Climate Protection Plan 2050” – policy documents that will mark Germany’s environmental actions for years to come.

The ministry publishes its own evaluation reports and produces guidance for its civil servants, for example in the form of the [Guidelines for Citizen Participation](#) (in German). So far, the BMUV has

qualitative criteria to [evaluate its participation processes](#). It is, however, working on a mid-term strategy that also includes quantitative indicators for measuring the success of participatory processes. Beyond its own institution, the BMUV also promotes successful citizen and stakeholder participation at other levels of government. The yearly competition “Excellent! – Competition for exemplary citizen participation” ([Ausgezeichnet! – Wettbewerb für vorbildliche Bürgerbeteiligung](#)) awards solutions to specific problems related to citizen and stakeholder participation and gives them visibility.

Box 1.7. Creating dedicated institutional responsibilities for citizen and stakeholder participation in Romania

In Romania, there are broadly three types of regular participation channels that are widespread across the public administration. These three forms of participation, in turn, require public institutions to nominate responsible public officials or offices in charge of them:

1. **Consultation on draft normative acts:** This type of participation concerns all central and local public administrations. Each of these institutions has an obligation to nominate at least one person in charge of relations with civil society (Art. 7). This person is in charge of the public institution’s activities concerning decision-making transparency, including:
 - organising written consultations on draft laws
 - organising public debates on these draft acts, if they are requested
 - co-ordinating internally with the respective units that work on a draft law regarding the inputs received from citizens and stakeholders.
2. **Resolving citizens’ petitions:** The Romanian Constitution provides for a right for Romanian citizens and associations to directly address any public institution with any proposal or complaint they may have. To manage these inputs, each public authority must set up an office in charge of public relations that receives, records, takes care of solving petitions and sends answers to the petitioners. The heads of public authorities are directly responsible for the proper organisation and solving of petitions directed to their public authority.
3. **Consultation with social partners:** This type of participation concerns most ministries at the central level as well as the level of the counties and the municipality of Bucharest. These institutions must draw up consultative social dialogue commissions made up of representatives of the central or local public administration, representatives of employers’ organisations, and nationally representative trade union organisations. From the public institution’s side, the appointed representative from the level of Secretary of state fulfils the role of president of the commission. As such, they lead meetings, send invitations to meetings and ensure the presence of relevant colleagues. The presidencies of these commissions are, in turn, co-ordinated by a secretary of state in the Ministry of Labour and Social Protection.

Sources: Parliament of Romania (2003^[26]; 2011^[35]); Government of Romania (2022^[36]; 2002^[37]).

The Czech Republic has established a wide range of consultative bodies that include stakeholders

In support of its activities, the Czech government has established numerous advisory and working bodies (PPOVs, for the Czech acronym, hereinafter “consultative bodies”). The consultative bodies in themselves are instances of stakeholder participation, as they are usually composed of members of the government

and experts, including civil society stakeholders. Consultative bodies may be established as permanent or temporary bodies depending on the character of the issue they address. The activities of each consultative body are run by its statutes, rules of procedure, and, in some cases, other binding documents, such as laws and decrees. Table 1.3 provides a non-exhaustive overview of relevant consultative bodies in the Czech Republic.

Each consultative body is an independent entity with its own internal dynamics, processes and working methods (e.g. selection of members). One of the main functions of all existing advisory and working bodies is to comment on new laws, regulations and strategies that have an impact on their field of expertise. At the same time, consultative bodies can also initiate their own policy documents. The creation of these advisory and working bodies can be considered a good practice, as they facilitate institutionalised dialogue between the government and non-public stakeholders (mostly experts). While they do not involve common citizens, many of the existing councils, such as the Government Council for Non-Governmental Non-Profit Organisations (see below), frequently organise consultations and other outreach activities that are open to input from citizens.

Nevertheless, evidence collected for this review suggests that the functioning of the consultative bodies depends very much on the political will of the administration in power and on the profile of their members. Moreover, the fact-finding mission revealed that there are opportunities to harmonise and streamline compositions and working methods across the existing landscape of consultative bodies. The appointment of persons to working groups, advisory bodies or expert panels is not homogenous across the Czech administration. According to interviewees, in some cases the consultative bodies have become a platform that gives a voice to the “usual suspects”, rather than a forum for wider participation. Interviewees noted that the whole system of having such consultative bodies meant that some stakeholders had more access to decision-making processes than others. In this regard, interviews with government representatives during the fact-finding mission revealed that their ministries tended to co-operate mostly with the same organisations and often did not actively seek to involve other stakeholders. Moreover, organisations representing vulnerable, discriminated or other excluded groups, notably Roma, but also certain religions or LGBTI⁴ groups, do not appear to have the same level of access to all consultative bodies.

Table 1.3. Overview of relevant consultative bodies in the Czech Republic

Name of the body	Year of creation	Relevant responsibilities	Public and non-public stakeholders involved
Government Council for Non-Governmental Non-Profit Organisations	1992, renamed 1998	<ul style="list-style-type: none"> Initiates and assesses materials for government decisions relating to non-governmental organisations (NGOs) Monitors the Czech Republic's regulations of NGOs, as well as its relation to the integration of the Czech Republic into the European Union Co-ordinates co-operation among ministries and other bodies in support of NGOs Monitors the use of EU funds available in the Czech Republic 	<ul style="list-style-type: none"> Prime minister Various ministries NGOs Commissioner for Human Rights Association of Czech Republic's Regions Union of Towns and Municipalities
Government Council for Roma Minority Affairs	1997, renamed 2001	<ul style="list-style-type: none"> Supports co-operation of ministries responsible for implementing measures arising from government resolutions and international treaties Collects, considers and submits information, groundwork documents and proposals for the creation and application of policy in the area of the integration of Roma communities 	<ul style="list-style-type: none"> Various ministries Commissioner for Human Rights Roma community Academia
Government Council for National Minorities	1968, renamed 2001	<ul style="list-style-type: none"> Monitors compliance with the Constitution and international treaties to which the Czech Republic is bound Proposes the amount of funds for subsidies of activities of minorities in the yearly draft budget 	<ul style="list-style-type: none"> Various ministries Office of the Presidency Commissioner for Human Rights Up to two representatives from each of the following 14 national

Name of the body	Year of creation	Relevant responsibilities	Public and non-public stakeholders involved
			minorities: Belarusian, Bulgarian, Croatian, German, Greek, Hungarian, Polish, Roma, Ruthenian, Russian, Slovak, Serbian, Ukrainian and Vietnamese
Government Board for Persons with Disabilities	1991	<ul style="list-style-type: none"> • Brings attention to the serious problems of the disabled that are the competence of several ministries • Formulates opinions and delivers recommendations on materials presented to the Czech government as regards the disabled • Monitors and helps to implement the National Plan for People with Disabilities 	<ul style="list-style-type: none"> • Prime minister • Various ministries • Union of Bohemian and Moravian Production Cooperatives
Government Council for Human Rights	1998	<ul style="list-style-type: none"> • Monitors compliance with the Constitution and international treaties to which the Czech Republic is bound • Prepares proposals concerning policy concepts in different areas of human rights protection • Adopts opinions on the proposals of the government concerning the protection and respect for human rights • Co-operates with non-governmental non-profit organisations involved in human rights and with local government bodies 	<ul style="list-style-type: none"> • Commissioner for Human Rights • Office of the Government • Various ministries • Human rights civil society organisations (CSOs) and NGOs • Academia
Government Council for Gender Equality	2001	<ul style="list-style-type: none"> • Discusses and recommends basic policies for conceptual directions in the procedure of promoting equality of women and men • Co-ordinates main directions of ministerial policies in the area of gender equality • Sets a range of priorities for ministerial projects supporting equal opportunities for women and men • Identifies current problems in society related to gender equality • Evaluates the effectiveness of measures taken towards equality between women and men 	<ul style="list-style-type: none"> • Various ministries • Commissioner for Human Rights • Gender equality NGOs
Government Council for Sustainable Development	2003, current statute from 2020	<ul style="list-style-type: none"> • Develops and reviews the Sustainable Development Strategy • Triennial reporting on the implementation of the Sustainable Development Strategy in the Czech Republic • Monitors sustainable development indicators • Co-ordinates the methods and development of conceptual documents 	<ul style="list-style-type: none"> • All ministries • Office of the Government (but not necessary directly the prime minister) • Chamber of deputies • CSOs and NGOs specialised in the field • Trade unions • Academia • Municipalities
Research, Development, and Innovation Council	2002	<ul style="list-style-type: none"> • Processes regular annual analyses and assessments of the research and development situation in the country • Develops a mid-term draft forecast for research and development support and estimates their total costs • Issues opinions concerning research and development documents • Conducts negotiations with the advisory bodies of the European Communities on research and development and with the research and development councils of other countries • Acts as administrator and operator and approves the rules for the operation of the Research and Development Information System 	<ul style="list-style-type: none"> • Prime Minister's Office • Academy of Sciences of the Czech Republic • Public universities and colleges • Other research institutes

Name of the body	Year of creation	Relevant responsibilities	Public and non-public stakeholders involved
Government Anti-Corruption Council	2014	<ul style="list-style-type: none"> • Co-ordinates and evaluates government anti-corruption policy • Submits its recommendation to the government with regards to reducing corruption risks in public administration practices and enhancing transparency • Submits its recommendation with regard to chosen legislative materials on mitigating their corruption risks 	<ul style="list-style-type: none"> • Prime minister • Various ministries • Law enforcement agencies • Associations of municipalities and regions • Chamber of Commerce • Professional chambers stipulated by law • CSOs and NGOs specialised in the field • Academia

Source: Based on information from the Government of the Czech Republic; <https://www.vlada.cz/en/pracovni-a-poradni-organy-vlady>; <https://korupce.cz/rada-vlady>.

Establishing a dedicated institutional co-ordination mechanism for the citizen and stakeholder participation agenda

The **Government Council for Non-Governmental Non-Profit Organisations** (hereafter “Council for NGOs”) is a permanent consultative and co-ordination body of the government of the Czech Republic in the area of non-governmental non-profit organisations. It was established by Government Resolution of 10 June 1992 No. 428 as the Council for Foundations and subsequently transformed by Government Resolution of 30 March 1998 No. 223 into the Government Council for Non-Governmental Non-Profit Organisations. The council collates, discusses and, through its chair, submits to the government materials relating to NGOs and the creation of a suitable environment for their existence and activities. The council has, for example, been the driver behind the Strategy for Co-operation Between the Public Administration and Non-governmental Non-profit Organisations 2021-2030 that was discussed above.

According to its revised statute approved in May 2022, the council is made up of a maximum of 36 members (including “experts from NGOs, who specialise in one of the areas of the non-profit sector” [Article 3(3) of the statute]). The secretariat of the council is provided by the Office of the Government. The council’s mandate is quite broad when it comes to the participation of CSOs in public life (see Box 1.8 for an overview of the council’s tasks) and it is a widely appreciated forum for discussion and deliberation.

To foster the move towards a dedicated citizen and stakeholder participation agenda, as suggested above, the Czech Republic could **consider extending the mandate of the existing Council for Non-Governmental Non-Profit Organisations and transforming it into the Government Council for Citizen and Stakeholder Participation**. In addition to including the tasks of the existing Council for NGOs, the new council could have an explicit mandate to foster the participation of individual citizens (as opposed to stakeholders) in policy processes. In terms of composition, the new council could include (selected) members of the current Council for NGOs, as well as the recommended institutional participation co-ordinators and randomly selected citizens (see also the section on “Experimenting with emerging tools and practices” below). The suggested centre of expertise for citizen and stakeholder participation could take over the secretariat of the new entity.

Box 1.8. Functions of the Government Council for Non-Governmental Non-Profit Organisations in the Czech Republic

According to its mandate, the Government Council for Non-Governmental Non-Profit Organisations performs the following tasks:

- initiates and assesses conceptual and implementation materials for government decisions relating to support for non-governmental organisations (NGOs), and legislative and political measures relating to the conditions for their activities
- monitors, initiates and issues statements on legal regulations regulating the standing and activities of NGOs; through its chair – a member of the government – the council comments on draft legislation related to NGOs
- initiates and co-ordinates co-operation between ministries, other administration authorities and bodies of territorial self-governing units in the area of support for NGOs, including the subsidy policy from public budgets
- monitors, analyses and publishes information about the standing of NGOs within the framework of the European Union (EU), on the integration of the Czech Republic into the EU with respect to NGOs and on the financial resources connected to this; co-operates with ministries and other administration authorities responsible for administering EU funds in the Czech Republic, if their use is related to NGOs
- in co-operation with ministries and other administration authorities, NGOs and other bodies and institutions, ensures the availability and publication of information about NGOs and about state policy measures that affect NGOs; in particular, it makes available and analyses information about subsidies from public budgets for NGOs and about the process of releasing and using them
- participates in measures by ministries and their administration authorities that relate to NGOs, in particular in relation to the standardisation of activities, allocation of accreditation and categorisation of NGO types.

Source: (Government of the Czech Republic, 2022^[38]).

Fostering participation literacy in the Czech administration and society

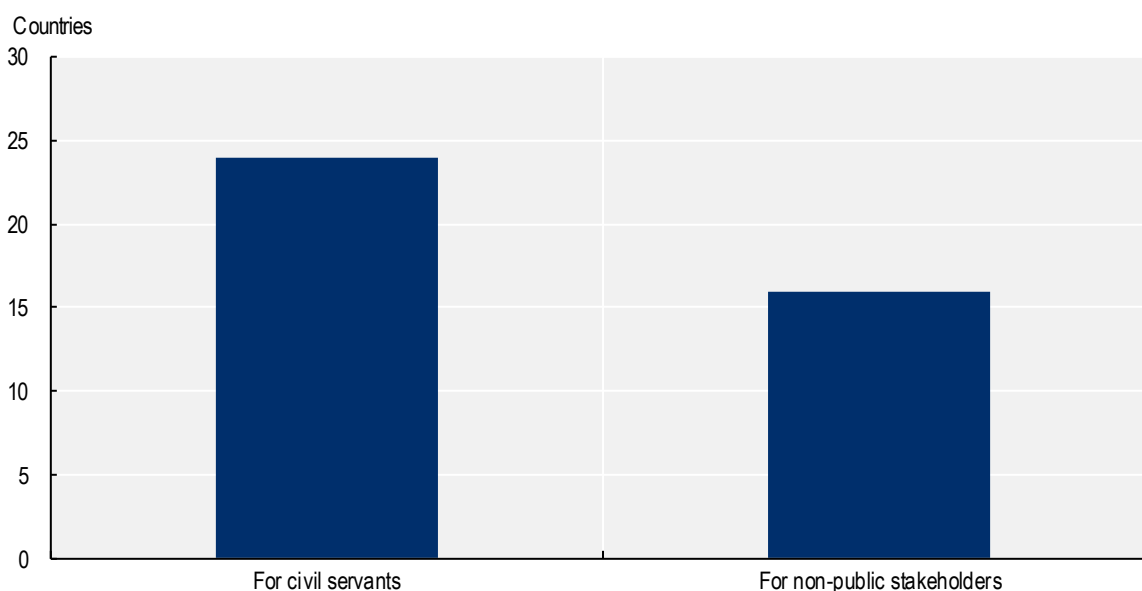
Creating awareness, knowledge and skills among public officials is important in fostering a change towards a participation culture. In this regard, the OECD report *Skills for a High Performing Civil Service* (2017^[39]) introduces a framework for skills needed by today's public officials. One of the four pillars of this framework highlights that "new skills are required for public officials to effectively engage citizens, crowdsource ideas and co-create better services" (OECD, 2017, p. 9^[39]). However, a culture of participation not only requires well-trained public officials and high-quality opportunities for citizens to participate (OECD, 2022^[10]); it also requires citizens and CSOs that are ready to take on this active role in collaborating, co-creating and taking informed decisions together with public institutions (*Ibid.*). A citizenry that is democratically fit has the mandate, skills and competences needed to play an active part in a democratic system (OECD, 2022^[10]). In the background report prepared for the present review, the Czech government recognised the uneven distribution of participation literacy in the administration and in society as one of the main obstacles to implementing participatory policies and practices. In this connection, the good governance axis of the Strategic Framework (see above) mentions that:

...participation and particularly deliberation are “soft” skills. We can learn to master them and become aware of their inclusion in the education system, including adult education. However, they are improved mainly by use. The more citizens are involved in the debate, the more meaningful their next debate will be. (Government of the Czech Republic, 2017^[28])

Providing guidance on citizen and stakeholder participation

To raise awareness, create buy-in, and build their staff’s and civil society’s literacy, most governments across the OECD have elaborated guidelines, toolkits and manuals on different open government policies and practices. According to the results of the 2020 OECD Survey on Open Government (OECD, 2021^[40]), 24 out of 32 OECD countries (75%) have guidelines specifically on citizen and stakeholder participation. This practice is less established when it comes to guidelines for non-public stakeholders, with only 16 out of 32 OECD countries (50%) with such guidelines in place (Figure 1.4).

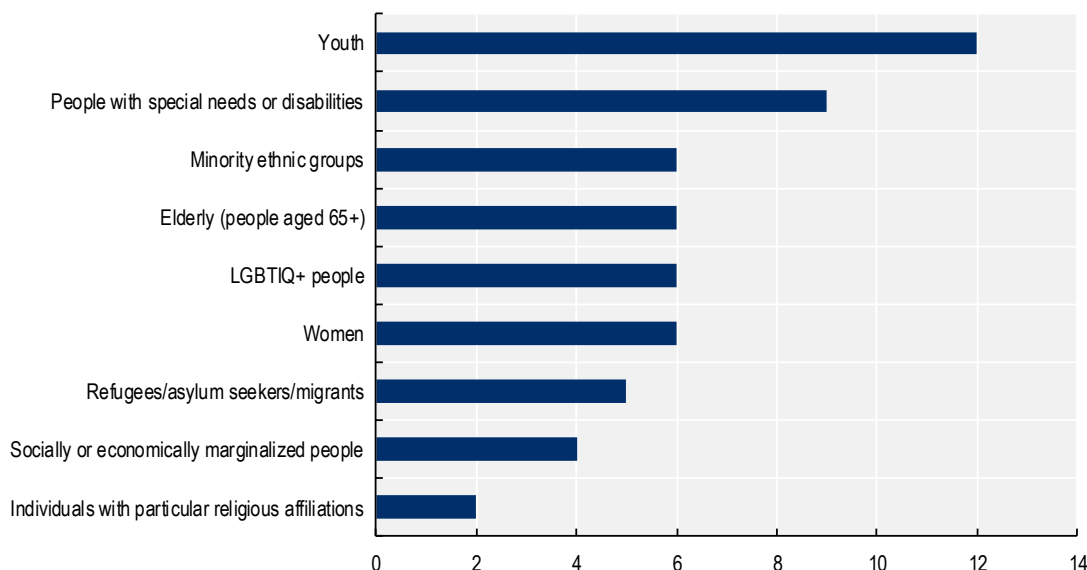
Figure 1.4. Availability of guidelines for civil servants and non-public stakeholders on citizen and stakeholder participation at the central/federal level



Note: Multiple responses possible. N=32. Data for Greece and the United States are preliminary.
Source: OECD (2021^[23]).

In particular, several countries have guidelines on fostering the participation of specific groups of the population: 12 out of 17 responding OECD countries (71%) focus on youth and another 9 (53%) focus on people with disabilities. Some countries, such as Lithuania and the United Kingdom, also have guidelines that raise awareness of the need to target specific groups and stakeholders when relevant. While the Czech Republic has general guidelines on citizen and stakeholder participation for civil servants in place, these guidelines do not focus on any specific societal group.

Figure 1.5. Participation guidelines targeting specific groups in OECD countries



Note: Multiple responses possible. N=17.

Source: OECD (2021^[40]).

In 2009, the Czech government published a **Methodology for Public Involvement in the Preparation of Government Documents** (“the methodology”) (Government of the Czech Republic, 2009^[41]). The methodology aims “to unify the procedure of employees in central administrative offices and establish general principles for involving the public”. It targets “central administrative authorities and other entities that prepare materials of a legislative and non-legislative nature, as supplementary material to the General Principles for the Assessment of Regulatory Impacts”. While it contains a lot of relevant general introductory material (e.g. on what citizen participation is, what its benefits are, etc.), the practical part of the methodology, in fact, focuses on citizen and stakeholder participation in regulatory impact assessments rather than the broader public decision-making process. Subsequently, and as a follow-up to the methodology, in 2010, the government created a **Manual for Public Involvement in the Preparation of Government Documents** (Government of the Czech Republic, 2010^[42]). It includes a detailed overview of available methods and techniques for citizen and stakeholder participation elaborating on their advantages and limits and providing practical advice on how to use them.

In addition, the Czech Republic adopted a **Methodology of the Participation of NGOs in Working and Advisory Bodies of the Central Authorities and in the Creation of their Policy Documents** on 28 June 2022 (Government of the Czech Republic, 2022^[43]). The development of the methodology was based on a commitment included in the OGP Action Plan of the Czech Republic for 2020-2022 (Government of the Czech Republic, 2020^[29]) and the Strategy for the Co-operation of the Public Administration with NGOs (2021-2030) (Government of the Czech Republic, 2021^[31]). It seeks “to contribute to the effective use of participatory processes with regard to NGOs representatives within the functioning of advisory and working bodies of ministries and other central administrative authorities and in the creation of public policies, strategic materials, legislative and other non-legislative materials by individual ministries and other central administrative authorities” (Government of the Czech Republic, 2022^[43]). The methodology provides a minimum recommended framework for setting the basic parameters of participatory processes and primarily targets officials in ministries and other central public institutions (Government of the Czech Republic, 2022^[43]). According to information received from the Czech government, the methodology will

soon be piloted, in line with a commitment that will be made in the Czech Republic's most recent 2023-2024 OGP Action Plan.

The content of the different guidelines and methodologies is generally aligned with practice in other OECD countries. To include more recent trends and practices (e.g. representative deliberative processes) and provide more concrete advice on (non-electoral) citizen participation beyond regulatory impact assessments, the Czech Republic could **consider updating the existing Methodology and Manual for Public Involvement in the Preparation of Government Documents**. In that regard, the new OECD Citizen Participation Guidelines could provide inspiration (Box 1.9). The guidelines include a ten-step path of planning and implementing a citizen participation process (Figure 1.6).

Evidence collected during the OECD fact-finding mission further revealed that the existing guidelines, while of high quality, are not widely known or used across the Czech administration. To address this challenge, the **recommended centre of expertise for citizen and stakeholder participation could conduct awareness-raising and promotion campaigns about the materials targeting both public officials and non-public stakeholders**. The centre could further have a mission to centralise and collect all available guidelines, methodologies and manuals and, in the medium term, based on a systematic referencing process, could create a compendium to be included on a potential new participation portal (see below).

Figure 1.6. Ten-step path for planning and implementing a citizen participation process



Sources: OECD (2022^[10]) based on Faulkner and Bynner (2020^[44]), How to Design and Plan Public Engagement Processes: A Handbook, Glasgow. What Works Scotland; Involve (2005^[45]) People & Participation: How to put citizens at the heart of decision-making, London: Beacon Press, and New Zealand Government, Community Engagement Policy Tool, The Policy Project.

Box 1.9. The OECD Citizen Participation Guidelines

The OECD Citizen Participation Guidelines (2022^[10]) are intended to support the implementation of Provisions 8 and 9 of the OECD Recommendation of the Council on Open Government. They are aimed at any individual or organisation interested in designing, planning and implementing a citizen participation process. The guidelines walk the reader through ten steps to design, plan and implement a citizen participation process, and detail eight different methods that can be used to involve citizens in policymaking, illustrated with good practice examples.

The eight participation methods described are:

- open meeting and town hall meeting
- public consultation
- open innovation methods: crowdsourcing, hackathons and public challenges
- civic monitoring
- participatory budgeting
- representative deliberative process.

Their content is based on evidence collected by the OECD over the years, various OECD publications, and existing resources from academia and other organisations regarding the intrinsic and instrumental benefits of citizen participation in policymaking.

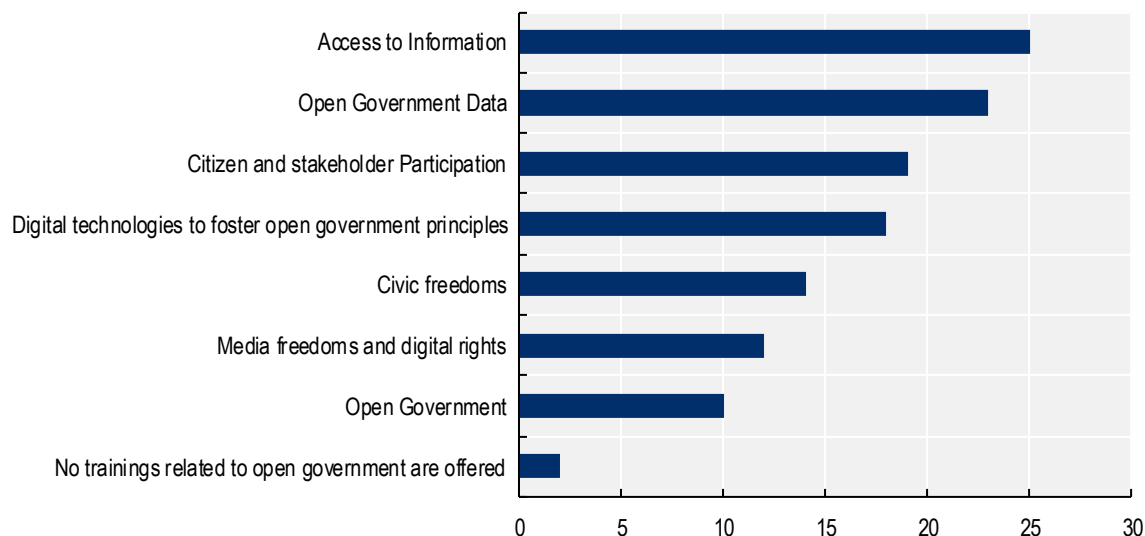
As part of the document, the OECD suggests eight guiding principles to help ensure the quality of these participatory processes: purpose, accountability, transparency, inclusiveness and accessibility, integrity, privacy, information, and evaluation.

Source: OECD (2022^[10]).

Offering trainings, seminars and capacity building on participation

The organisation of trainings, information sessions and capacity-building events is another common way of ensuring that public officials and non-public stakeholders embody participatory policies and practices principles and increase their levels of participation and open government literacy. According to results of the 2020 OECD Survey on Open Government, out of 31 responding OECD countries, 19 (61%) currently have specific trainings on citizen and stakeholder participation for civil servants, including the Czech Republic (Figure 1.7).

Figure 1.7. Available trainings for civil servants at the central/federal government level in OECD countries



Note: Multiple responses possible. N=30.

Source: OECD (2021_[40]).

Moving forward, the Czech Republic could **consider including a dedicated course on participation in mandatory training requirements for senior public officials and for all newly hired public officials to introduce them to the concept and its practices**. The suggested centre of expertise for citizen and stakeholder participation could further consider creating a single training catalogue that lists all trainings on participation (and open government policies and practices more broadly) that are offered by the national government and international actors. This training catalogue could be added to a potential new participation portal (see below).

Creating a community of practice on citizen participation

Some countries across the OECD have created communities of practice on participation (and open government policies and practices more broadly) to exchange good practices and facilitate the sharing of resources and experiences (Box 1.10). A community of practice can be defined as a group of people that “share a concern or a passion for something they do and learn how to do it better as they interact regularly” (Lave and Wenger, 1991_[46]).

In line with the objective to move towards a culture of participation, the government of the Czech Republic could **consider setting up a community of practice dedicated to citizen and stakeholder participation**. This community of practice could bring together public officials and non-public stakeholders interested in citizen and stakeholder participation and/or who have participated in trainings on participatory policies and practices. The community could be animated by the newly created centre of expertise for participation and involve the participation offices/people in all public institutions; public officials from subnational governments; non-public stakeholders such as civil society leaders; as well as representatives from academia, the private sector and trade unions. The community could be animated through a dedicated online space. In addition to being a platform for dialogue, learning and sharing of good practices, the community of practice would provide the centre of expertise with an effective informal co-ordination tool. The community of practice on citizen participation in Spain, as well as the communities of practice on open government created by the United Cities and Local Governments (UCLG) and the US federal government provide interesting examples in this regard (Box 1.10).

Box 1.10. Communities of practice on open government policies and practices

Spain's Community of Practice on Participation

At the meeting of the Participation Working Group of Spain's Open Government Forum on 2 March 2021, it was decided to create a community of practice that would take advantage of the experience of all the actors, and of the promoters of the numerous initiatives that are being developed in the country's fourth Open Government Plan regarding citizen participation in public affairs. The community includes representatives of the three levels of public administration, civil society (with the presence of organisations with solvency in terms of participation) and some international ones (specifically from Colombia, Italy, Mexico and the participation of the OECD).

The primary objective of this community lies in the design and exchange of practical elements and, when possible, the co-creation of experiences that help implement, within the sphere of responsibility of each sector or agency, specific issues to facilitate citizen participation in the scope of its powers. The community is energised by a professional with extensive experience and solvency in the matter and supported by the General Directorate of Public Governance.

US OpenGov Community of Practice

The US government established a series of communities of practices across the federal government to collaborate and share resources on different policy areas. The Open Government Community of Practice is a digital space and a network where civil servants across the government can discuss open government-related initiatives and practices. The Open Government Community consists of government employees and civil society members working in the field of open government to share best practices to promote transparency, participation and collaboration, and advocate for opening government information. This type of community allows for a continuous exchange of information and peer learning, and supports co-ordination and collaboration across government.

UCLG Community of Practice on Transparency and Open Government

The United Cities and Local Governments (UCLG) Community of Practice on Transparency and Open Government was created with the objectives of supporting peer-to-peer learning, networking, raising awareness and capacity building on open government and public integrity at the local level and promoting the role of local and regional governments in the development and promotion of practices of transparency, participation and accountability for the achievement of sustainable cities and territories. The community of practice comprises a group of local and regional governments, as well as experts, academics and public institutions, and representatives of international city networks interested in discussing and advancing joint solutions, learning opportunities and exchanging public policies on issues of open government. It is co-ordinated by the Spanish Federation of Municipalities and Provinces with the support of the Open Government Partnership and the United Nations Human Settlement Program.

Notes: [Comunidad de Práctica Participación - Gobierno Abierto - Portal de la Transparencia de la Administración del Estado. España - Inicio](#).

Sources: US General Services Administration (2021^[47]); UCLG (n.d.^[48]); French Interministerial Directorate of Public Sector Transformation (n.d.^[49]).

Enhancing transparency and providing high-quality information as a basis for citizen and stakeholder participation

In line with the OECD ladder of citizen and stakeholder participation, the first level of participation is information. The OECD Citizen Participation Guidelines recognise that information and data are prerequisites for informed participation and enablers for more impactful participation. In this connection, the guidelines highlight that public information and data can empower citizens to understand and act upon the decisions that affect their lives, enable citizens to co-create solutions and support the effective monitoring of government actions. The provision of high-quality information is strongly linked to effective public communication around participatory processes. As the OECD (OECD, 2021^[50]) highlights, the use of communications to inform the public about participatory opportunities and their results can increase the number of participants, strengthen the legitimacy of the results and widen the audience of these practices.

According to evidence gathered by the OECD, limited information about and lack of communications around participatory processes are among the key challenges the Czech Republic faces in fostering better citizen and stakeholder participation. This section, therefore, provides a short overview of the provision of information related to citizen and stakeholder participation. An extended discussion of the Czech Republic's wider transparency and public communications agendas goes beyond the scope of this chapter but could be the subject of an OECD Open Government Review.

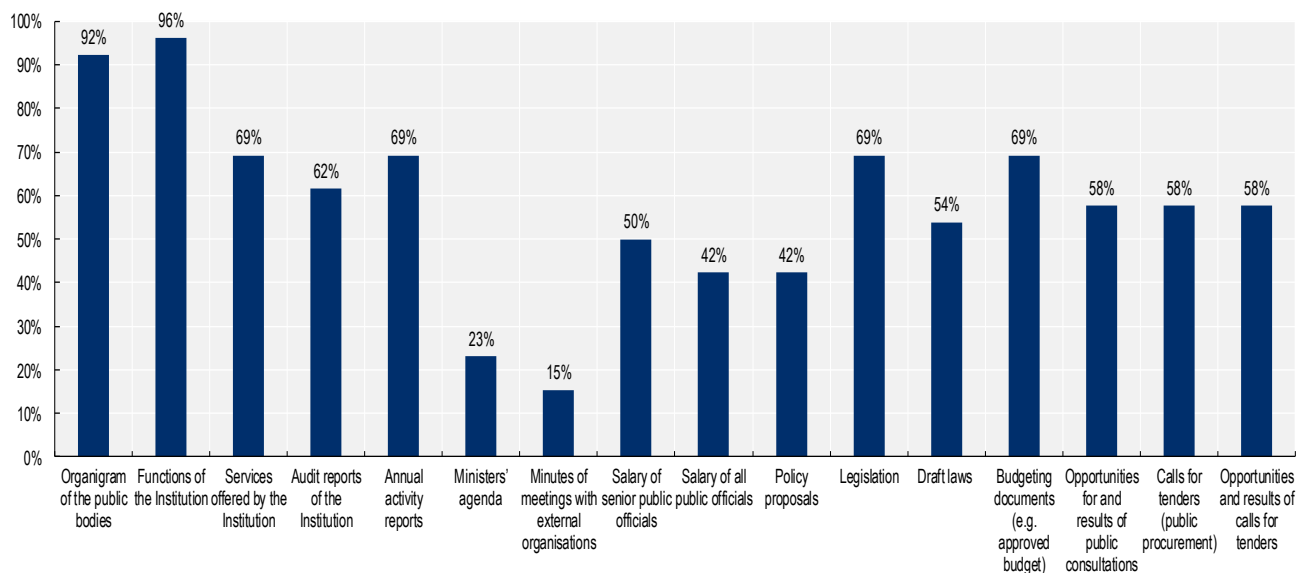
Publishing more and better information to enhance participatory processes

Transparency and access to information are core elements of an open government and an enabler of informed citizen and stakeholder participation. Government transparency refers “to stakeholder access to, and use of, public information and data concerning the entire public decision-making process, including policies, initiatives, salaries, meeting agendas and minutes, budget allocations and spending” (OECD, 2021^[51]). Transparency is underpinned by the right to access to information (ATI), which is understood as the ability of an individual to seek, receive, impart and use information effectively (UNESCO, n.d.^[52]). Beyond information disclosure, transparency mechanisms can include policies that enable a two-way relationship with stakeholders encouraging more accountability and participation by opening the decision-making process and the actions taken by public officials at every stage of the policy cycle (Cucciniello et al., 2014^[53]).

At a country level, the enforcement of the ATI right is mostly made operational through ATI laws, which are present in 134 countries, including 37 OECD countries (RTI Rating, n.d.^[54]). The Czech Republic adopted its Law on Free Access to Information in 1999 (Act 106/1999 Coll.). The Czech ATI Law regulates the right to access to information and stipulates fundamental conditions under which information should be provided. According to the Global Right to Information Rating, which measures the quality of the legal provisions of ATI laws, the Czech Republic scores (72) slightly above the OECD average (81) (RTI Rating, 2019^[55]).

In terms of proactive disclosure of information, the Czech legal framework is mostly aligned with OECD standards according to the results of the 2020 OECD Survey on Open Government. In particular, as in 15 out of 26 responding OECD countries (58%), the Czech legislation requires that opportunities for and results of public consultations be proactively disclosed. However, it does not require the proactive disclosure of “draft laws” or of “policy proposals”, as is practised in 54% and 42% of responding OECD countries, respectively. According to information provided by the Czech government, “opportunities for and results of public consultations” are to be disclosed on ministries' websites and all ministries do so.

Figure 1.8. Information to be proactively disclosed by the central/federal government in OECD countries



Notes: N=26. Preliminary results.

Source: OECD (2021^[23]).

Box 1.11. OECD work on transparency and access to information

The work of the OECD Open Government Unit on transparency, access to information and social accountability focuses on analysing access to information laws, their provisions, their implementation and the institutional arrangements in place. Special detail is paid to the bottlenecks that can affect their implementation. These can be internal to the public administration or external. Over the last two decades, more than 120 countries, including most OECD countries, have adopted access to information laws. While these laws have reached great maturity levels, they have not yet resulted in a true culture of transparency, especially because it has proven difficult to measure their implementation. It remains unclear what overall impact these laws have had on increasing governments' transparency and accountability, or on citizens' compliance with policies and their level of trust in institutions.

In terms of social accountability, the work focuses specifically on the direct involvement of citizens, civil society organisations and other civil society stakeholders such as the media in ensuring accountability in public institutions. Mechanisms for social accountability are any ways to involve civil society actors from civil society organisations and activists to journalists and trade unions in all stages of the policymaking cycle (e.g. citizen oversight committees, feedback portals, etc.). The work also looks at the particular role of the ombudsman in promoting social accountability and acting both as the main interface between the government and citizens and as a mediator in the case of a dispute or a violation of civil liberties.

Creating a single government-wide participation portal

Digital tools can enable citizens and stakeholders to take part in decision-making and increase the reach of participation opportunities, especially for those who are unable to attend meetings in person due to time

or distance constraints (OECD, 2022_[11]). In particular, participation portals (websites), where government institutions publish consultation and engagement opportunities, can facilitate exchanges and collaboration with citizens and stakeholders when designing public policies, and increase the opportunities for collaboration (OECD, 2022_[11]). Government-wide participation portals have the advantage of providing a “one-stop shop” for citizens to learn about past, current and future opportunities for participation. However, governments can also set up institution-specific portals (where a single institution publishes its participation opportunities) or individual portals for specific policy documents (e.g. open government partnership action plans). These institution- or policy-specific portals are easier to adapt to the specifics of each participation process.

Box 1.12. Decide_Madrid (Spain): A holistic online platform for citizen participation in decision-making

The platform Decide_Madrid was launched by the **Madrid City Council (Spain)** in 2015. Decide_Madrid allows citizens to voice their concerns and participate by developing proposals, debating and providing feedback during consultations, voting on draft laws, and participating in the city’s budgeting. Citizen participation on the platform can occur before, during the design and development of the initiatives, as well as during implementation.

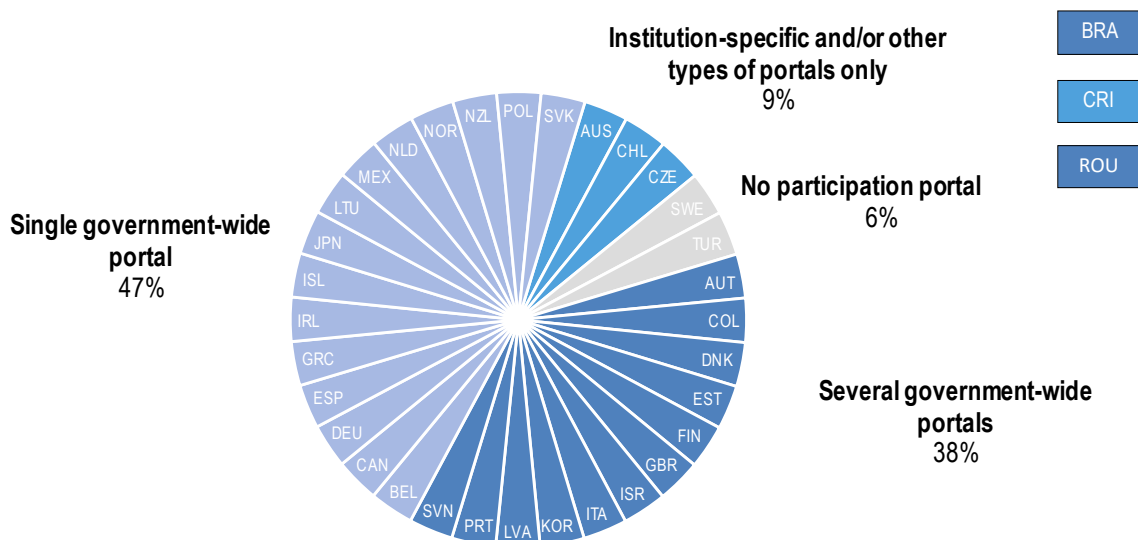
The platform is well received by the citizens of Madrid, with more than 400 000 people registered. For example, in a project to remodel the city’s Plaza de España, 26 961 citizens voted and commented on the proposals. The highest attraction is the website’s area on participatory budgeting. From 2016 to 2018, the amount allocated to participatory budgeting rose from EUR 60 million to EUR 100 million and the total number of participants increased by 100%, from 45 531 to 91 032 people.

The platform benefits from its open source code of the software CONSUL, making it free for any government or civil society organisation, to make use of it and propose improvements. Accordingly, it has been subsequently adopted by over 100 governments in 35 countries all over the world.

Source: City of Madrid (n.d._[56]).

According to the results of the OECD Survey on Open Government (OECD, 2021_[40]), some governments rely solely on one type of portal while others use a mixed approach combining two or more. In 2020, 27 out of 32 OECD countries (85%) had government-wide participation portals used by all ministries at the central/federal level of government to publish consultation and engagement opportunities. In total, 12 of 32 OECD countries (38%) had several government-wide portals and 15 (47%) a single government-wide portal. Only two of the surveyed OECD countries (6%) had no participation portals of any kind at the central/federal government level. Currently, the Czech Republic does not have a central website gathering information on ongoing (or past) consultations/opportunities for public participation in policymaking at the national level. In addition, OECD desk research showed that few ministries have dedicated sections on participation on their own websites.

Figure 1.9. Availability of government-wide portals to facilitate citizen and stakeholder participation, 2020



Source: OECD (2021^[23]).

To enhance the provision of information and have a single channel of communication about citizen and stakeholder participation at the national level (and potentially even at the subnational level), the Czech Republic could **consider creating an integrated government-wide participation portal**. This portal could have the following functionalities:

- provide information about past consultation or engagement opportunities – 25 of the 27 OECD countries (93%) which have such portals offer this functionality
- carry out online consultations or engagement processes (e.g. allowing people to submit their inputs on line) – 22 of the 27 OECD countries (81%) which have such portals offer this functionality
- provide background documents for specific consultation or engagement opportunities – 19 of the 27 OECD countries (70%) which have such portals offer this functionality
- provide feedback to citizens and stakeholders about their inputs and recommendations (e.g. how they were considered when taking the final decision) – 11 of the 27 OECD countries (41%) which have such portals offer this functionality
- inform about upcoming consultations and engagement opportunities
- provide information about citizens' and stakeholders' right to participate.

Box 1.13. Examples of whole-of-government participation portals in OECD and partner countries

Participa Mais in Brazil

The Participa Mais portal is a one-stop shop portal integrating all the public institutions of Brazil's federal government as well as subnational governments (states and municipalities) under the responsibility of the Special Secretariat for Social Coordination in the Secretary of Government. The platform allows the

public to directly provide inputs to online participatory processes and access information regarding in-person opportunities, such as public hearings and councils. Since its creation, ministries and agencies have published 172 consultations and 44 opinion polls, gathering 34 063 contributions from 25 154 registered users.

A good practice integrated into the Participa Mais Brasil portal is the possibility for public authorities to provide feedback for each consultation published on the platform. Once the consultation is closed, the platform allows public authorities to respond to each contribution, and publicly approve or reject the input received. In addition, the platform provides data and information on participants (type of stakeholder, geographical area, age group, etc.), which is useful for monitoring and evaluating the quality of the participatory process and enhancing representation in future processes.

Besides this central platform, all public institutions have a “social participation” section on their institutional website where they publish opportunities for citizens and stakeholders to participate.

Canada’s Open Government Portal

The Government of Canada’s website on open government provides content about a wide range of open government topics in an easily accessible manner. The home page is divided into three sections. The first allows users to directly search for data and information that has been disclosed either proactively or as a result of an access to information request. Alternatively, resources on how to request information and background material on this topic can be consulted. The second section contains four themes which structure open government content:

1. About open government: Canada’s involvement in the Open Government Partnership process, open government initiatives across Canada, FAQs on open government, the Open Government Licence and other background material.
2. Open data: Open government data in the open data portal, instructions on their use, helpful tools and inspirational use cases.
3. Open information: Information from digital government records in the open information portal, request summaries of access to information requests, grouped information on government expenditure, public procurement, regulatory plans, government service performance and others.
4. Open dialogue: Participation in government decision-making, principles and guidelines for engagement, consultation data, space to interact with other actors from the open government community in the Public Engagement Community of Practice.

The third section at the bottom of the page features the latest news on everything related to open government.

Note: [Governo Federal - Participa + Brasil - Página Inicial \(www.gov.br\)](http://www.gov.br).

Sources: OECD (2022^[11]); Government of Canada (n.d.^[57]).

Experimenting with emerging tools and practices in the Czech Republic

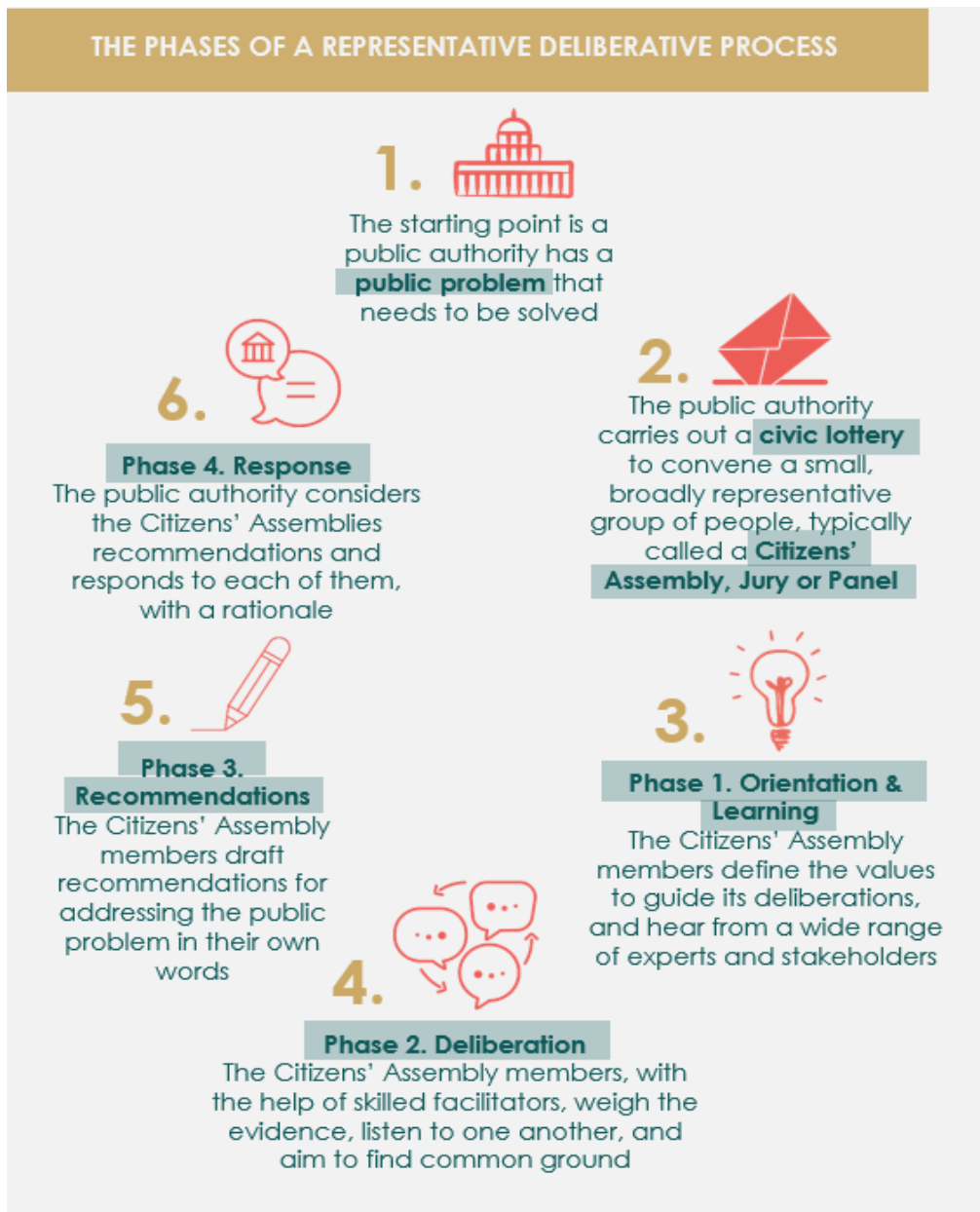
The increasing complexity of policymaking and the failure to find solutions to some of the most pressing policy problems have prompted politicians, policymakers, civil society organisations and citizens to reflect on how collective public decisions should be taken in the 21st century (OECD, 2020^[11]). Evidence from almost 300 cases gathered in the OECD’s *Innovative Citizen Participation and New Democratic Institutions: Catching the Deliberative Wave* report (OECD, 2020^[11]) shows that the use of representative deliberative processes can support policymakers in complex policy problems such as values-driven

dilemmas (e.g. ethical questions) and long-term issues that go beyond one electoral cycle (e.g. climate change). In addition, the use of public deliberation can strengthen integrity and prevent corruption by ensuring that groups and individuals with money and power cannot have undue influence on a public decision and can help counteract polarisation and disinformation (OECD, 2020^[11]).

The OECD defines a representative deliberative process as:

When randomly selected citizens, making up a microcosm of a community, spend significant time learning and collaborating through facilitated deliberation to develop informed collective recommendations for public authorities. (OECD, 2020^[11])

Figure 1.10. Main stages of a representative deliberative process



Notes: This figure represents the main stages of a representative deliberative process. The OECD has identified 12 models of representative deliberative processes which have distinct properties and characteristics.

Source: Based on OECD (2020^[11]).

Public authorities at all levels of government in countries such as Canada, Japan, Poland, Spain and the United States have been using citizens' assemblies, juries, panels and other representative deliberative processes (see Box 1.14 for more examples).

Box 1.14. Representative deliberative processes: Case studies from across the OECD

The OECD's *Innovative Citizen Participation and New Democratic Institutions: Catching the Deliberative Wave* report (OECD, 2020^[11]) includes almost 300 cases of the use of representative deliberative processes in public decision-making. In addition, the OECD has put together an updated version of the database used for the report, which also includes examples that have taken place since the publication of the report, bringing the total up to almost 600.

The Irish Citizens' Assembly (2016-18)

The Irish Citizens' Assembly involved 100 randomly selected citizen members who considered 5 important legal and policy issues: the 8th amendment of the Constitution on abortion, the ageing population, referendum processes, fixed-term parliaments, and climate change. The assembly's recommendations were submitted to parliament for further debate. Based on its recommendations, the government called a referendum on amending the 8th amendment and declared a climate emergency.

The Ostbelgien Model (Belgium): A permanent deliberative institution (2019)

On 25 February 2019, in Ostbelgien, the German-speaking Community of Belgium, the parliament unanimously voted in favour of a piece of legislation that establishes a permanent Citizens' Council. It comprises 24 randomly selected citizens with a mandate to represent fellow citizens for 1.5 years. One-third of the members rotate every six months. Its mandate is twofold. First, it has an agenda-setting role. It initiates up to three *ad hoc* citizens' panels during its term and decides the issues the panels should address. Second, the council has an oversight role, ensuring that the recommendations from the citizens' panels are presented and debated in parliament and receive a response from the relevant parliamentary committee and minister. The Citizens' Council met for the first time on 16 September 2019. Building on the experience from Ostbelgien, in October 2021, the Paris City Council announced the creation of the first permanent representative deliberative process (Paris Citizen Council) which will gather 100 randomly selected citizens.

Deliberative committees in the Francophone Brussels Parliament (Belgium)

Deliberative committees are the first mixed committees, comprised of 45 randomly selected citizens and 15 elected members of parliament – from the relevant parliamentary committee to the topic to be discussed. A committee can be called in two ways: either members of parliament decide that a citizen contribution to a certain public issue could be valuable or the initiative comes from citizens, as a citizen suggestion through a digital platform. The recommendations of the deliberative committees are then voted on by both the citizens and members of parliament and those that are accepted have to be discussed in the plenary with the rest of the elected members.

Note: The OECD's database of Representative Deliberative Processes and Institutions is available at: <https://airtable.com/shrHEM12ogzPs0nQG/tbl1eKbt37N7hVFHF/viwxQgJNyONVHkmS6?blocks=hide>.
Sources: OECD (2020^[11]); Cesnulaityte (2021^[58]).

Unlike many other OECD countries, the Czech Republic currently does not have any experience with deliberation⁵ at the national level. Building on the objectives outlined in high-level policy documents such as the Client-Oriented Public Administration Strategy, the Czech Republic could consider supporting the use of representative deliberative processes for public decision-making. Different scenarios are possible for including public deliberation and civic lottery in public decision-making in the country:

- Deliberation could be embedded in existing participatory spaces. For example, the existing consultative bodies (e.g. councils) could become a laboratory to experiment with these methodologies. Random selection of citizens with stratification methods and facilitated deliberation could improve inclusion and representation in the councils and bring citizens (as individuals) into these processes.
- Deliberative processes could be piloted at the local level. For example, subnational participatory budgeting could be used to experiment with deliberation. Evidence gathered by the OECD (OECD, 2020^[11]) shows that the use of representative deliberative processes could improve budget decisions. They help to justify action and spending on long-term issues that go beyond the short-term incentives of electoral cycle issues, as they are designed in a way that removes the motivated interests of political parties and elections, incentivising participants to act for the public good (*Ibid.*).

Box 1.15. Participatory budgeting at the local level in the Czech Republic

Participatory budgeting practices originated in the Brazilian city of Porto Alegre in 1989. Since then, this practice has spread across the globe, especially at the local level, with some regional and national experiences also present.

There have been at least 50 experiences of participatory budgeting across the Czech Republic, all of them having taken place at the local level, including in Prague. Currently, participatory budgeting is not inscribed into law. Participatory budgeting practices in the Czech Republic are often (and) growingly accompanied by digital practices, such as online platforms.

There are notable aspects of participatory budgeting in the Czech Republic, namely:

- School participatory budgeting – where students carry out a participatory budgeting process in which they come up with and vote on initiatives to improve their school using the available budget. This takes place in 40 municipal schools across the country and helps build a participatory and democratic culture from a young age.
- An innovative voting method is often employed. This is known as the “Janeček Method”, developed by Czech mathematician Karel Janeček. Its main feature is the possibility of having multiple votes, allowing voters to support more than one initiative. In addition, they are also allowed to cast a “negative” vote for projects they absolutely do not want to see happen. This is theorised to help the community reach a consensus more easily and for the outcome of the process to reflect the community’s preferences more faithfully.

Source: Cheerakathil (2019^[59]).

Recommendations

Strengthening the enabling environment for participation in the Czech Republic: Moving from ad hoc practices to institutionalised mechanisms

- Consider **adopting a single definition of citizen and stakeholder participation** to inform the public about the extent and limitations of participation and align all stakeholders and policymakers towards the same goals.
 - Communicate the definition widely to ensure that all public officials and non-public stakeholders are aware of and use it.

- Consider creating a **centre of expertise on citizen and stakeholder participation** to raise levels of implementation, harmonise practices across public institutions, and provide public institutions and officials with practical support (guidance and technical tools).
 - Consider locating the centre of expertise in the Office of the Government (taking advantage of being part of a key centre of government institution) or in the Ministry of the Interior.
- Consider mandating the establishment of a **unit or person dedicated to citizen and stakeholder participation in every public institution**.
- Consider designing an **integrated open government strategy that includes a strong participation component** to anchor the participation agenda in a broader context and fully exploit synergies with initiatives to promote transparency and accountability.
- Consider extending the mandate and composition of the existing Council for Non-Governmental Non-Profit Organisations and transform it into **the Government Council for Citizen and Stakeholder Participation**.
 - Consider mandating the council to co-ordinate the wider participation agenda, including the involvement of individual citizens (as opposed to organised stakeholders) in public decision-making.
 - Consider including (selected) institutional participation co-ordinators, as well as randomly selected citizens in the new council.
 - Consider making the suggested centre of expertise for citizen and stakeholder participation the secretariat of the new entity.
- Consider **reviewing the legal and regulatory framework for citizen and stakeholder participation**.
 - Consider introducing a mandatory “participation check” to ensure that all legislative documents are designed in a participatory way and that new legislation includes a provision related to participation (when relevant).

Fostering participation literacy in the Czech administration and in the wider society

- Consider **updating the existing Methodology and Manual for Public Involvement in the Preparation of Government Documents** to include more recent trends and practices (e.g. representative deliberative processes) and provide more concrete advice on (non-electoral) participatory practices and processes beyond RIA.
 - Conduct awareness-raising and promotion campaigns about existing materials both for public officials and non-public stakeholders.
 - Create a compendium of all the available guidelines, methodologies and manuals and include them in a possible new participation portal (see below).
- Consider including a **dedicated course on participation in mandatory training requirements for senior public officials** and for all newly hired public officials to introduce them to the concept and its practices.
 - Consider creating a single training catalogue that lists all trainings on participation (and open government policies and practices more broadly) that are offered by the national government and international actors and add it to the new participation portal (see below).
- Consider setting up a **community of practice dedicated to citizen and stakeholder participation**.
 - Include both public officials and non-public stakeholders interested in citizen and stakeholder participation and/or who have participated in trainings on participatory policies and practices.

- Consider mandating the newly created centre of expertise for participation to animate the community and involve the participation offices/people in all public institutions; public officials from subnational governments; non-public stakeholders such as civil society leaders; as well as representatives from academia, the private sector and trade unions.
- Create a dedicated online space for the community.

Enhancing transparency and providing high-quality information as a basis for citizen and stakeholder participation

- **Proactively disclose all relevant information regarding participatory processes**, including draft laws, policy proposals, and opportunities for and results of public consultations.
- Consider creating an **integrated government-wide participation portal**.

Experimenting with emerging tools and practices in the Czech Republic

- **Embed deliberation in existing participatory spaces**, for example in existing consultative bodies (e.g. councils) to improve inclusion and representation in the councils and bring citizens (as individuals) into these processes.
- **Pilot representative deliberative processes at the local level**, for example, in subnational participatory budgeting.

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Notes

¹ For the purpose of this chapter, the term “citizen” is meant in the larger sense of “an inhabitant of a particular place”, which can be in reference to a village, town, city, region, state or country depending on the context. It is not meant in the more restrictive sense of “a legally recognised national of a state”. In this broader sense, it is equivalent to people.

² For the purpose of this chapter, “stakeholders” are defined as institutions and organisations, whether governmental or non-public, from civil society, academia, the media or the private sector.

³ A more in-depth discussion on the wider participation agenda, including of initiatives taken by public institutions, could be the subject of an eventual OECD Open Government Review of the Czech Republic.

⁴ Lesbian, gay, bisexual, transgender/transsexual and intersex.

⁵ The OECD understands deliberation as public deliberation (as opposed to internal deliberation) and to group deliberation (as opposed to individual deliberation), which emphasises the need to find a common ground (OECD, 2020_[11]). The fundamental distinction between deliberation and debate is in relation to the objective, whether it is consensus-seeking as in the former, or zero-sum as in the latter.

2 Centre-of-government-led Co-ordination Capacity in the Czech Republic

This chapter examines how key functions of decision-making, strategic planning and policy coordination are carried out in the Czech Republic and assesses the capacities and instruments at the Centre of Government (CoG) to exert these functions efficiently, looking in particular at the role of the Office of the Government, the main CoG institution in the country. The chapter will discuss first strategic planning processes and instruments in the country, then the existing frameworks and mechanisms on policy coordination and decision-making. It also focuses on the role of government Councils and on strategy and mechanisms to support public administration reforms in the country. Finally, the chapter provides recommendations to the government to further strengthen the role of the centre.

Introduction

The Czech Republic has a well-established set of institutions, rules and documents for decision-making, policy co-ordination and strategy

As a support structure serving the highest levels of the executive branch, the centre of government (CoG) provides critical functions for the whole-of-government that underpin a robust governance framework, notably by supporting and steering the definition and implementation of the government's vision and strategy as well as government co-ordination and decision-making processes (OECD, 2020^[1]). The CoG can be defined as the highest level support structure of the executive branch of government that generally supports the activities of the head of government. Its mandate is to “ensure the coherence and prudence of government decisions and promote strategic and coherent evidence-based policies” (OECD, 2018^[2]). In its broader functional definition, the CoG refers not only to bodies reporting directly to the head of government but also other bodies or agencies such as the Ministry of Finance (MoF), that performs cross-cutting government functions within the national administration (OECD, 2018^[2]).

In OECD countries, the CoG plays a central role in the performance of key co-ordination functions, primarily in Cabinet meeting preparations, policy co-ordination and strategic management. The CoG helps translate an electoral mandate obtained by the government into a government programme and ensure it is implemented in a co-ordinated and efficient manner. It helps set a vision for the country and to connect longer term strategic objectives with national and sectoral strategies and policies (OECD, 2018^[2]). The CoG's role in cross-governmental policy co-ordination is instrumental in developing consistent whole-of-government strategies and policies, aligning ministries and public agencies around key priorities, and addressing administrative silos. This role has increasingly involved over time, leading cross-cutting policy priorities or initiatives as current systemic policy issues – such as the green transition, the pandemic, migration or energy – which require governments to develop policy responses spanning across different sectors, institutions and time frames that correspond to international commitments and national priorities. Strategic planning is another central function of CoGs in OECD countries. Indeed, its central position, cross-cutting approach and proximity to the chief executive make the CoG well-positioned to lead strategic planning activities for the whole of government.

In the Czech Republic, the Office of the Government (OG) is the “central body of the state administration”. It constitutes the main entity of the CoG, performing functions such as preparing the government session and co-ordination across ministries. Its role is succinctly and very broadly described in the 1969 Competency Law (Government of the Czech Republic, 1969^[3]). The description does not cover specific activities related to strategic planning or co-ordination. The law remains unspecific in its definition of the OG's role and competencies, primarily covering its administrative functions.¹ The OG's activities, in practice, have been more encompassing and have evolved depending on the government in power between playing a prominent co-ordination and strategic role in line with full-fledged, traditional CoGs in OECD countries and providing more administrative support functions, which has been the case in the recent past. According to responses to an OECD questionnaire, the OG has traditionally comprised two main organisational sections: 1) the “economic/technical section”, in charge of preparing government sessions, particularly the organisational aspects, including the agenda and supporting material (technical support, protocol, catering, etc.); and 2) the “legislative section”, in charge of the expert and legislative content of government sessions (preparing draft legislation, etc.). The OG has also traditionally been tasked with supporting the government's public advisory and working bodies, though their structure and connection to line ministries have evolved.

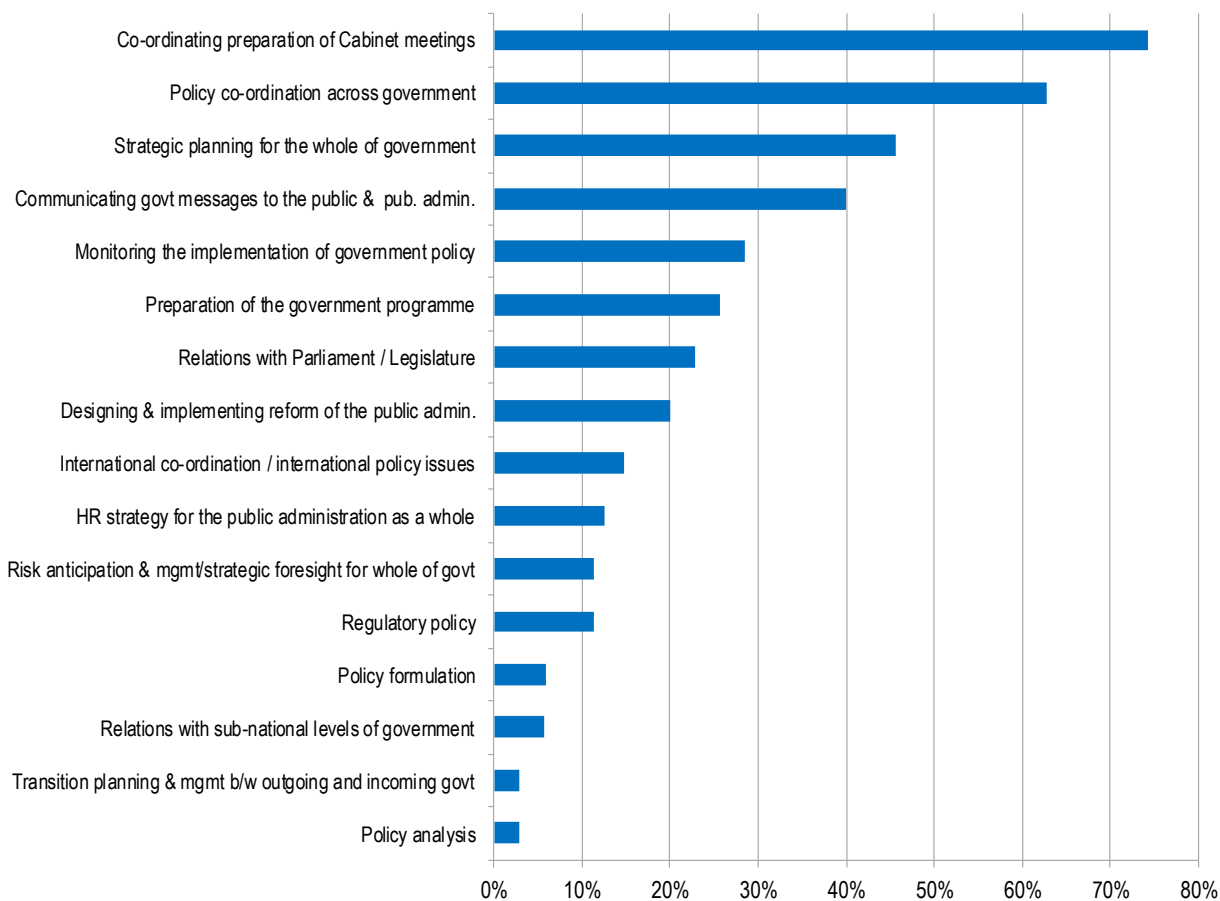
Under this mandate, some CoG functions in the Czech Republic have been performed by different bodies and line ministries and have evolved over time, particularly the Ministry for Regional Development (MORD), which has a mandate on strategic planning, and the Ministries of the Interior and of Environment on

horizontal topics such as digitalisation and sustainable development, as explained in more detail later in this chapter.

Centre of governments traditionally perform key co-ordination functions in OECD countries, primarily preparing Cabinet meetings, policy co-ordination and strategic planning

The CoG has evolved from a traditional role of administrative support to the head of government to performing functions related to supporting the decision-making process of the head of government and their Cabinet, co-ordinating policies within government, strategic planning for the government as a whole, communicating horizontal government messages to the public and the administration, and monitoring the implementation of government policy (OECD, 2018^[2]). While the range of responsibilities carried out by the CoG varies across countries, some functions are common to most, in particular co-ordinating the preparation of Cabinet meetings and policy co-ordination across government, especially for horizontal priorities. The centre takes almost exclusive responsibility for those functions in virtually all OECD countries. Whole-of-government strategic planning and monitoring the implementation of government policy are also high on the agenda (Figure 2.1).

Figure 2.1. Key responsibilities of the centre of government in OECD countries



Source: OECD (2018^[2]).

The Office of the Government is the main CoG institution in the Czech Republic, but its role is only partly defined in the Competency Law and has weakened in recent years

The OG represents the main CoG institution in the Czech Republic, but its power and capacity to exert the functions expected of CoG units have changed with changes in government and their political priorities. This is partly because its role is not well-defined by the Competency Law and has been evolving over time. For example, its mandate overlooks key functions on co-ordination and strategic alignment that have often been performed by the OG.

The OG's current organisational chart reflects a lack of clarity on its functions, scope and priorities. The OG includes departments focusing on preparing the government session and of the legislative preparations and review, but the function on legislative preparations is linked to a specific minister within the OG (the minister of legislation). Several other departments are listed under the head of the OG, including those working on administrative functions and public advisory bodies corresponding to the official tasks of the OG. Aside from the Prime Minister's Cabinet, four other members of the government and their cabinets are attached to the OG (Deputy Prime Minister for Digitalisation; Minister for European affairs; Minister of Legislation; and Minister for Science, Research and Innovation). Some of these topic-oriented sections and the attached ministerial positions usually evolve depending on priorities – for instance, the recent appointment of the Deputy Prime Minister for Digitalisation – while others are more firmly established. This is also the case for many departments (such as the Department of Human Rights and Minority Protection or the Department of Gender Equality), that were originally set up to cover a particular cross-cutting issue (called “agenda” in the Czech administrative culture) and that have remained since in the organisational chart directly under the head of the Office of the Government, as indicated by the OG.

The OG carries out important functions that are attached to CoGs in OECD countries. It has an essential role in decision-making through the preparations of government meetings, especially by preparing the agenda and the materials to be submitted (as it administers the interagency commenting procedure and its online tool, eKlep) and checking the legal conformity of documents. The OG steers the implementation of the Policy Statement of the Government and the strategic priorities defined by the Prime Minister and supports the preparations of annual legislative and non-legislative work plans, particularly by collecting input from ministries, to organise the work of the government. It co-ordinates and steers government work on a number of issues by supporting the work of advisory and working groups under the chairmanship of the Prime Minister, particularly on European Union (EU) affairs and on specific topics, including gender equality, human rights and the protection of minorities. The OG also has specific capacities and functions in areas such as managing and supervising the government's legislative work and regulatory impact assessments (RIAs), and on science and innovation.

While in the past the OG had a role in strategic planning and co-ordination across the government, over recent years, its role and capacities in strategic planning have been undermined with the dissolution of the team in charge of strategic planning and the transfer of the Government Council for Sustainable Development and its supporting unit from the OG to the Ministry of the Environment under the previous government. This has deprived the OG of the capacity to design, align and support strategic planning across the government and has resulted in an increase in the number of silos. As importantly, the OG needs to have the capacity and instruments to steer and ensure that the government delivers on its key priorities. This includes having strategic and analytical units and competencies related to selected topics and the lead on horizontal bodies in charge of them. This role would need to be closely articulated with the MORD, which currently plays a crucial role in strategic planning.

There have been recent changes towards strengthening the role of the OG, especially by restoring and strengthening its policy and strategic co-ordination and analytical capabilities. There is a willingness and initiative to build up policy and strategic co-ordination and analytical capabilities in the government, particularly in the OG. The latest government plans on “systematisation” (a stocktaking process that involves changing positions, jobs and structures in the state administration, to streamline and make the

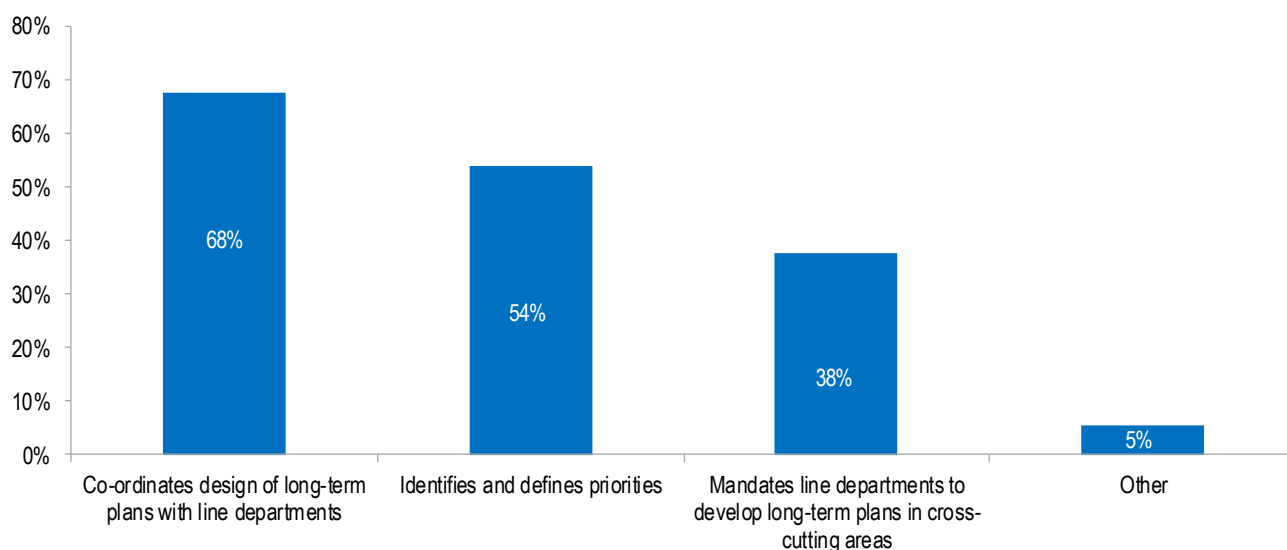
administration more effective) include the re-establishment of a strategic unit and of a government analytical unit in the OG. In particular, plans to establish a government analytical unit (VAU) in the OG aim to increase analytical capacities in the CoG, starting with legislation and RIAs, to improve the quality of and alignment of regulations from the centre with line ministries. The creation of the VAU could also help increase support and capacity for strategic co-ordination in the line ministries.

Strategic planning: Reinforcing the role of the centre

Strategic planning aims to establish a shared vision for a country's future and identify strategic priorities and objectives for different time horizons in order to achieve the vision. The strategic planning process allows preparing and implementing strategic plans that respond to this vision and translates them into priorities and programmes for the different ministries. Strategic planning also provides a frame of reference for prioritising reforms and actions across government. The prioritisation process involves making choices between a large number of initiatives in a context of limited financial and human resources (OECD, 2018^[2]). It allows sequencing decisions and for their implementation to enable the government to achieve its strategic objectives over different time horizons. Finally, strategic planning must allow governments to face national strategic challenges, sometimes immediate, but also to respond to long-term global issues such as climate change or digital transition. It must thus combine urgency, the medium term, which often corresponds to the duration of an electoral cycle, and the long term.

The CoG is a driving force in strategic planning in OECD countries, and strategic planning is one of its main functions. The CoG is primarily responsible for co-ordinating and overseeing strategic plans, a role it plays in more than two-thirds of OECD countries. This involves ensuring that ministries have long-term plans aligned with the national strategic plan or mandating them to implement such plans (Figure 2.2). The aim of the CoG is then to ensure coherence and strategic alignment across government, whether national or sectoral strategies, including with the country's main strategic documents (OECD, 2018^[2]).

Figure 2.2. Role of the centre of government in priority setting and strategic alignment in OECD countries



Source: OECD (2018^[2]).

In more than half of the cases, the CoG also helps identify and define the government's strategic priorities. The prioritisation process requires the CoG to define priorities based on criteria, make trade-offs between initiatives submitted by ministries, and ensure that the government's electoral mandate is translated and implemented through the government's programme and sectoral policies. The CoG also often operationalises the government's vision or programme into an action plan or road map to be implemented by the ministries.

The CoG has also played an important role in planning the recovery from the COVID-19 pandemic in most OECD countries, helping to identify and select priorities and prepare recovery plans. In many OECD countries, the CoG is also in charge of co-ordinating and monitoring the implementation of the recovery plan (OECD, 2021^[4]).

The Czech Republic has a large number of short- and long-term cross-governmental and sectoral strategies

The clear and explicit articulation of strategic planning instruments and documents allows the government to focus on a few policy priorities and ensure better and more consistent implementation in the face of resource constraints (OECD, 2018^[2]). The Czech Republic has a high number of national, sectoral, regional and local strategies that makes their implementation and coherence challenging. While Czech Republic 2030 appears to be the country's main reference strategy, there is a proliferation of strategies, not all of which are connected with Czech Republic 2030.

Czech Republic 2030 is the Czech Republic's main long-term strategy but is not co-ordinated by the CoG

Czech Republic 2030 is a strategic framework that indicates the direction the development of the country and society should take in the decade to come. It aims to improve the quality of life in the Czech Republic and points the country towards strengthening sustainable development in terms of social, economic and environmental aspects. The so-called "strategy of strategies" consists of detailed measures and policies for the country's sustainable development. It covers six national priority areas: 1) people and society; 2) economic model; 3) resilient ecosystems; 4) municipalities; 5) global development; and 6) good governance. Czech Republic 2030 was drafted by the Sustainable Development Unit of the OG and approved by the Czech government on 19 April 2017, replacing the 2010 Strategic Framework of Sustainable Development. Since then, the framework has been used as the main national document for the Sustainable Development Goals (SDGs).

The adoption of Czech Republic 2030 was followed by an implementation document adopted in October 2018 that links to further documents and indicates specific measures to ensure the operationalisation of the strategy. The set of indicators in Czech Republic 2030 serves to measure progress in meeting specific objectives and as a foundation for regular assessment reports. Its second implementation plan was adopted in September 2022.

In parallel, the *Implementation of the 2030 Agenda, the other document focused on sustainable development* approved by the government in October 2018, has been evaluating the relevance of 17 SDGs and their 169 sub-objectives (only 4 are not relevant for the Czech Republic). To avoid duplication of efforts, the Czech government could consider further aligning, if not merging, of Czech Republic 2030 and the Implementation of the 2030 Agenda to make the SDG implementation process more effective and enhance the alignment of the SDGs with the Czech Republic 2030's goals.

The OG was expected to co-ordinate and monitor the implementation, and the Government Council for Sustainable Development and its committees were supposed to support an expert network. In 2018, however, the Sustainable Development Unit of the OG and the Government Council for Sustainable Development were moved to the Ministry of the Environment. This poses several challenges for steering

and monitoring the strategy, as the Ministry of the Environment lacks the convening power of the CoG to co-ordinate line ministries and ensure that key national and sectoral strategies are aligned with Czech Republic 2030 beyond environmental topics that are within the scope of the ministry.

The Czech Republic has a large number of horizontal and sectoral strategies that are supported by line ministries and councils rather than the CoG

One important element hampering effective and efficient strategic planning from the centre is the excessive complexity of the strategic planning system and the associated proliferation of strategic documents. In some OECD countries, the number of strategic planning documents identified across the government exceeds several hundred, leading to a lack of clarity on the direction of actions, an absence of consistency and continuity in the implementation of strategies, and very often duplications of efforts. The same is true in the Czech Republic (Nakrošis, Vilpišauskas and Jahn, 2020^[5]).

In the Czech Republic, other important national strategic documents have been developed by different line ministries, not by the CoG. For instance, the Czech National Recovery Plan was developed by the Ministry of Industry and Trade and the MORD, which raises questions about its co-ordination and alignment with the Policy Statement of the Government and the priorities of the government led by the OG.

Sectoral strategies often respond to a priority identified in a government strategic framework document, government programme or long-term strategic plan, or to needs identified by the ministry in charge of the topic. In both cases, the development and implementation of a sectoral strategy require government-wide coherence and alignment, which in OECD countries is usually achieved by the CoG (OECD, 2018^[2]). There is no single framework for strategic planning in the Czech Republic nor clear institutional responsibility over the area defined by law or by specific strategic documents beyond methodological guidance for strategic documents prepared by the MORD. This has resulted in more than 300 sectoral strategies, making it impossible to set coherent policy objectives. In addition, according to participants during the fact-finding mission, most strategies are not implemented, for reasons such as a lack of capacity or funding, the irrelevance of the strategy with the current priorities, or purely formal preparations of strategies to respond to EU requirements in some areas or a lack of focus on implementation during the design phase.

Ministries consistently mentioned the Policy Statement of the Government as the reference document

On 6 January 2022, the government approved the final version of the Policy Statement of the Government of the Czech Republic, which guides the government's actions and priorities for the duration of its mandate. A key objective of the current Policy Statement is the development of a modern, effective and digital public administration. Streamlining the performance of the public administration has regularly been included in past Policy Statements of the Government, for example in 2010, 2013 and 2017. Increasing the efficiency and flexibility of the state administration and improving rule-making are among the main priorities of the new government. Additionally, the government's priorities include, among others, stabilising public finances and having a more modern, lean and flexible state administration. This translates into a series of measures related to digitalising public services and the evolution of the governance of the digital area, the willingness to amend the Civil Service Law and streamline the state administration through personnel reductions, administrative simplification in areas related to identity, and procurement and further improvements in the effectiveness of the joint model of public administration and of inter-municipal co-operation. Nevertheless, the Policy Statement only includes a marginal and rather indirect reference to the Czech Republic 2030 strategic framework (on the coherence of national strategies and the SDGs) and no reference to the Client-oriented Public Administration 2030 (PAR). Priority measures differ on the public administration, with limited references to the objectives of improving the functioning and co-ordination of the administration and of public institutions in the Policy Statement, and to the needs to develop civil servants' skills.

The Policy Statement of the Government is the main reference document for ministries when they develop proposals. Line ministries and other public entities the OECD met with all pointed to the importance of the document and to establishing clear connections with the priorities underlined in it. Policy and legislative proposals submitted by line ministries to the OG as part of the annual legislative and non-legislative work plans are expected to be aligned with the directions set in the Policy Statement.

The public administration has developed a number of structures, tools and practices, mostly ad hoc, to prepare and co-ordinate strategies

Strategic planning is performed by different units in line ministries and councils

As in most OECD countries, the CoG in the Czech Republic, particularly the OG, is involved in the strategic planning process. Until 2018, the OG played a central role in steering and co-ordinating strategic planning. Among its core activities, it still prepares government sessions and supports the activities of the advisory and working bodies of the government that are all part of the strategic planning process. Advisory and working bodies, some of which are under the OG, contribute to preparing, revising and monitoring specific strategies related to their field of expertise. These strategies are also submitted for review through the interagency online commenting procedures system eKLEP, before being approved at the government sessions. Other institutions that correspond to a wider definition of the CoG also play a crucial role in strategic planning, including the Ministry of the Interior, which prepares and steers public administration reform, especially the PAR. The MORD is mandated to develop and co-ordinate regional strategies, help ensure that they are aligned with national ones, and support strategic work across public administration at both the regional and national levels. The MORD has played an important role in that regard and has notably provided quality control and methodological support and helped other ministries prepare strategies. Line ministries also have an extended role in preparing government programmes, strategic planning and stakeholder consultations in their respective areas.

While the OG had a central role in strategic planning and co-ordination in the past, these activities were transferred to several line ministries under the previous government. Following these evolutions, the MORD has been *de facto* leading strategic planning activities, in particular its Strategic Planning Unit, while this is not included in its mandate as defined by the Competency Law, along with other fields and responsibilities that emerged and were not anticipated in the Competency Law (Government of the Czech Republic, 1969^[3]). The Strategic Planning Unit was dismantled in 2019 and its tasks were merged with those of urban policy and continued under the Unit for Urban Policies and Strategies. The number of people engaged in strategic work decreased with respect to the previous unit. The unit has continued to support the development of strategies across the government. While it offers methodological support and emphasises the importance of strategic planning, the MORD lacks the official mandate and convening power to carry out this function for the whole-of-government effectively. The ministry supports and co-ordinates outputs in strategic documents and access to such documents but does not co-ordinate policies, as it does not have resources or the legitimacy, in particular for whole-of-government, horizontal strategies. The MORD has been using the interministerial working group on strategic planning, the Expert Group for Strategy Work, to co-ordinate these activities and share methodologies and guidance (Government of the Czech Republic, 2015^[6]). Despite the role assigned to it, the unit has limited capabilities and convening power to steer and co-ordinate strategic planning for the whole-of-government.

The Ministry of the Environment is now leading the implementation and co-ordination of the Sustainable Development Agenda in support of the Sustainable Development Council. The ministry steers the Sustainable Development Council, as it is tasked with organising its plenary sessions, co-ordinating its agenda and the information flow between the working groups and the council, and preparing background materials.

Apart from the MORD and the Ministry of the Environment, which play *de facto* wider roles in strategic planning, reportedly half of the line ministries in the Czech Republic have strategic units but usually suffer from a lack of capacities and need support and guidance. Strategic activities are often merged with other types of activities performed by the ministry. In addition, this activity is strongly dependent on specific individuals and can be very fragile.

The Czech Republic has established a number of public advisory bodies and working groups that prepare and revise strategies in their field

Advisory and working bodies such as public councils support and co-ordinate strategic planning activities in the Czech Republic on topics related to their field and the scope of the ministry in charge of the committee, unless they operate under the Office of the Government. For instance, the Council for Public Administration, chaired by the Ministry of the Interior, co-ordinates and monitors the PAR through a dedicated working group; the Council on Information Society has been focusing on the implementation of the Digital Czech Republic programme.

As will be further elaborated later in this chapter, some public councils are also used as an institutionalised mechanism for consulting with citizens and stakeholders and play an important role in strategic planning, mostly for those located in the OG. Councils are permanent advisory bodies where experts, citizens, civil society organisations and representatives of certain communities are involved. The role of councils is to exchange with stakeholders on a particular sectoral topic, bring expertise and legitimacy, work on sectoral plans, and inform stakeholders about government action. These councils prepare and revise strategies in their specialised fields. For instance, the Inter-ministerial Commission for Roma Community Affairs has prepared a National Roma Strategic Framework (2021-2030). They do not have a time-bound mandate and are regulated by decrees. Each council meets at a different frequency, between two and five times per year. There is no single guidance on the functioning of the councils suggesting the duration, composition, or types of outcomes and deliverables expected beyond templates (“rules of procedures”) to establish them.

The Rules of Procedure of the Government (eKLEP) are widely used, including for submitting and commenting on strategies

The preparation of key documents for submission to government meetings in the Czech Republic is done according to the Rules of Procedure defined by the government and via the electronic document-sharing system eKLEP (Government of the Czech Republic, 1998^[7]). eKLEP is managed by the OG, which ensures access to all ministries and a large number of public institutions and committees. Interviews showed that it is systematically used to gather extensive comments and reviews by different parts of the administration on draft laws, public policies and strategies prior to the government meeting. It is accompanied by defined arbitration procedures in case of a disagreement between ministries that can lead to arbitration at the level of the Prime Minister.

eKLEP is used for the approval process of strategies, providing the opportunity for a limited set of stakeholders to review and provide comments on national and sectoral strategies prepared by the government. This allows a whole-of-government process for strategic alignment. eKLEP is widely used by the government and public institutions, but its use for consulting external stakeholders and civil society has been limited (see Chapters 1 and 3).

Different instruments have been developed, including a strategic methodological framework and a registry of strategies

The MORD has created a number of tools and instruments to provide guidance and consistency for preparing strategic documents, including a registry of strategies, templates for strategies and a methodological guide. All of these are available on line.

A registry of all existing strategies was developed in 2012 in the context of an EU-funded project (Government of the Czech Republic, 2013^[8]). It includes all strategic and conceptual documents and is accessible on line. It allows clearly displaying documents, their goals and measures, responsibilities for fulfilling them, and indicators of success. Goals from the international level, through ministries' and national institutions' documents down to the regional and local level can be connected thematically and functionally. All line ministries and regions add their strategic documents to this registry. One of the main aims of the existing registry of strategies is to connect and align existing and new strategies to avoid duplication and find consistencies and synergies across proposed measures. This has not been achieved in practice. There is also a working group for the registry of strategies, the Strategies Database Working Group, with representatives from all line ministries and regions, that is mainly facilitated by the MORD. This working group was first established with its own statute and rules of procedure and, after the creation of the Expert Group for Strategy Work, was placed under it as one of its working groups to act as a co-ordination tool (Government of the Czech Republic, 2015^[6]).

The main challenges have been ensuring that the relevant actors upload their strategic documents to the registry and ensuring a proactive use of the registry to safeguard the consistency of initiatives and measures when they relate to connected sectors or topics. Nevertheless, while the registry and the working group can support such an exercise, there has been little effort or capacity to align and evaluate strategies through reviews of the documents included in the registry.

In addition, a methodological framework was created to support the development of the strategic planning process (Government of the Czech Republic, 2019^[9]). The MORD shares the guidelines with sectoral ministries, the CoG and local levels of government to ensure methodological consistency across documents. A methodology to develop strategies and a number of templates on the structure, planning, indicators and budget for a public strategy are available on the dedicated portal.

The lack of reference to longer term priorities and the proliferation of strategies lead to inconsistencies and a lack of implementation

The lack of reference to the government's long-term priorities and strategies in policymaking hamper the consistency and continuity of strategies

For implementation to be effective, planning needs to be systematic and streamlined, ensuring alignment between long-term and medium-term plans, sectoral and whole-of-government strategies, and balancing local autonomy with the need to translate strategic decisions at all levels of government. Strategic planning activities across OECD countries have not always been accompanied by sufficient articulation mechanisms to ensure activities and goals are aligned over time to improve outcomes (OECD, 2018^[10]). Well-aligned whole-of-government strategies, sectoral strategies and local strategies need to reflect a global vision affecting all public action and aim to deploy co-ordinated resources around a limited set of priorities. This level of articulation requires effective co-ordination instruments at the highest level to avoid the dispersion and complexity of public action and increase its effectiveness. The CoG can be a lynchpin of this effort by helping to ensure the coherence of public policies and guaranteeing the continuity of action around major strategic objectives, between sectoral policies, between levels of intervention, between territories, and between public and private actors. It can also provide guidance on strategic documents, including on the methodologies, templates and indicators to be used (OECD, 2018^[10]).

In the Czech Republic, goals from the Policy Statement of the Government are often implemented as priorities, while long-term priorities and strategies are side-lined. The Policy Statement appears to be the reference document for the development of new strategies and policies in the Czech Republic and tends to overshadow crucial horizontal and long-term priorities that are not directly covered by it, particularly on climate change and sustainable development. While this supports the implementation of the government's key priorities, it also highlights a lack of explicit connection with longer term national or sectoral strategies established under the previous government. One of the challenges mentioned during the fact-finding mission is that the implementation of long-term priorities is often underprioritised with respect to short-term sectoral strategies. This is particularly true for the highly political goals in the Policy Statement. Long-term priorities and strategies are often neglected while new sectoral strategies are established and prioritised. In addition, planned measures are connected with the Policy Statement, but only *ex post*.

The prioritisation process does not allow reconciling long-term priorities and those included in the Policy Statement. The Policy Statement of the Government makes limited references to the government's long-term priorities outlined in different strategic documents, including Czech Republic 2030 or the PAR. One of the most cutting-edge and innovative approaches to prioritising the government agenda and linking it with long-term objectives can be found in Finland (Box 2.1). The prioritisation process was characterised by an approach based on long-term objectives and vision and underpinned by a solid problem identification phase supported by the CoG.

Box 2.1. Prioritisation approach of the Finnish Government Programme

Conceptually, the Finnish Government Programme is not based on ministerial structure and sectoral objectives but on societal phenomena or systems changes, focusing on systemic opportunities and challenges in society. This concept emphasises and applies a sustainability approach and coherence from ecological, social and economic points of view (in a short-term and especially a long-term perspective).

The government assigned the Prime Minister's Office's Government Strategy Department to facilitate and co-ordinate the preparation of the programme in the spring of 2019. The process included: defining a situational picture on key themes; a future (four-year) projection exercise; setting goals and objectives (complementing rhetoric-based and actions-based objectives with output-based and impact-based targets, as a basis for further elaborating indicators and measures for each of the strategic themes).

The process was managed by thematic groups of political actors, supported by approximately 200 experts, under the co-ordination of the Government Strategy Department. A dedicated tech platform allowed stakeholders to follow the progress made on the different negotiation strands.

Source: Finnish Government (2019_[11]).

The lack of focus on long-term priorities and future risks and challenges is also connected to the limited use of foresight in strategic planning in the Czech Republic. There is no dedicated unit nor capacity in the CoG or line ministries to carry out foresight exercises, including long-term scenario planning and horizon scanning. Some of the identified issues include the lack of financial resources, political support and institutional culture on foresight. Among the current initiatives, the Government Council for Research, Development and Innovation, with the support of the Technology Agency of the Czech Republic and the think tank Czech Priority, developed studies and a methodology on foresight looking at mega trends and how they could affect the Czech Republic. The methodologies and the results could be further used and disseminated in the public administration (Czech Priority, 2022_[12]). Examples in some countries include the development of long-term insights briefings using foresight, which try to bring some accountability to delivering long-term priorities across departments (Box 2.2).

Box 2.2. Long-term insights briefings in New Zealand and Australia

New Zealand's Public Service Act 2020 requires chief executives of government departments, independently from ministers, to produce a long-term insights briefing (LTIB) at least once every three years. The LTIB should explore future trends, risks and opportunities. LTIBs are expected to provide information and impartial analysis, as well as policy options for responding to risks and seizing opportunities. The development of such LTIBs is based on eight high-level steps, which include engagement with citizens both on the subject matter and on the draft briefing itself. The first LTIB was presented to a parliamentary select committee in mid-2022. After parliamentary scrutiny, it was made available in the public domain. Public consultation on draft briefings is a requirement of the process.

Prior to the Public Service Act 2020, New Zealand's senior policy community had discussed the challenges of building long-term issues into policy formulation, including the relative dearth of foresight capacity across the public service. It held workshops on a future policy heat map and policy stewardship. While there is no associated programme to build capability in strategic foresight, the LTIB requirement process may catalyse demand for strategic foresight capabilities.

To strengthen policy development and planning, the government of Australia has also expressed its intention to start developing long-term insights. Overseen by the Secretaries Board, these briefings will connect experts from across the public service and will include public consultations with various stakeholders such as citizens, academia, industry and non-governmental organisations on specific longer term policy challenges to help identify solutions.

Sources: Government of New Zealand (2022^[13]); ANZOG (2021^[14]); Australian Government (2022^[15]).

Another challenge in the Czech Republic is that the government lacks tools to translate the Policy Statement into co-ordinated administrative action. Despite the existence of a yearly legislative and a non-legislative work plan completed by line ministries at the request of the OG, these documents do not translate the government's priorities into action consistently and effectively, as they lack steering and guidance from the centre in drawing sectoral measures from priorities. Both programmes are compiled with a bottom-up approach without an in-depth substantive check on whether the Policy Statement and its priorities are fully covered. They also fail to meet the criteria for efficient policy co-ordination tool that the OG could use. Additionally, the Policy Statement is a political document and includes political initiatives and priorities that might add to or contradict previous strategies and priorities. The lack of steering from the centre opens the door for initiatives led by ministries according to their political priorities.

The multiplication and fragmentation of government strategies and the lack of strategic alignment lead to a lack of consistency and implementation across strategies

Planning needs to be systematic, ensuring alignment between various plans as well as between long-, medium- and short-term policy priorities towards a common goal (OECD, 2020^[1]). As in other OECD countries, the CoG in the Czech Republic has a role to play in improving the harmonisation of sectoral plans and their alignment with national priorities. Some international good practices in articulating national and sectoral plans could provide some useful insight for the Czech Republic (Box 2.3).

Box 2.3. The Belgian architecture for articulating political priorities with outcomes at the operational level

Strategic planning in Belgium has been developed to be highly collaborative and iterative to account for the federal and consociational nature of the administration. A distinction is made between strategic plans on the one hand and operational plans on the other, to better link priorities with outcomes.

Strategic planning documents are cascaded down from the Government Agreement (*Accord de Gouvernement*), which feeds into the government's policy statement (*Exposé d'orientation politique*), declined into a yearly general policy note (*note de politique générale*). Once political priorities have been established through these documents, the Federal Public Service/Policy and Support (FPS/PPS BOSA) elaborates a draft national strategic plan, and further refines it following feedback from ministers. The national strategic plan also includes the budget framework, internal management, communication plan and allocation of responsibilities. Transversal objectives derived from political priorities are elaborated and selected in parallel then integrated into the strategic plan after a formal validation process.

Yearly operational plans translate the strategic and tactical goals outlined in the strategic plans into operational objectives and processes. These operational plans differ from the strategic plan by their elaboration process; modalities; content; and obligations to politicians, citizens and the BOSA unit. Following the budget approval, the FPS/PPS elaborates and shares the operational plan with ministers and state secretaries for information. In essence, the operational plan includes a SMART description of operational objectives and resources allocated to these, outlines the processes and initiatives through which the operational objectives will be achieved, and related indicators to measure achievement and assign responsibility. Specific key performance indicators are also assigned to transversal objectives.

Source: Government of Belgium (2022^[16]).

While there are numerous strategies in the Czech Republic, most stakeholders interviewed for this review did not identify the quantity of the strategies as the main challenge for strategic planning. The quality of the strategies was not indicated as a significant challenge either. Strategies tend to be long and very detailed documents, with a high number of measures, which may be making their implementation challenging. Stakeholders highlighted the strategies' implementation and their consistency as the most crucial challenge. Respondents to the OECD survey identified the lack of capacity and issues of co-ordination as major limits to successful planning and implementation. To address this challenge, the United Kingdom introduced outcome delivery plans to streamline and better articulate the planning architecture and support their implementation and steering from the centre (Box 2.4).

Box 2.4. The United Kingdom's outcome delivery plans

To streamline and better articulate the government's planning architecture, in 2021, the UK government introduced outcome delivery plans, building on the previous single departmental plans, to ensure government departments contribute to overarching whole-of-government priorities. These plans set out how each UK government department is working towards delivering its priority outcomes and place a greater emphasis on joint work between departments, enabling departments to plan together to deliver shared outcomes. They include priority objectives and actions to implement to reach the outcomes and contain key performance indicators to measure progress and success. They set out plans for delivering critical enabling activities for successfully delivering outcomes and outline the needed capabilities and resources and their use. They are steered and monitored by the Cabinet Office. Outcome delivery plans are revised annually as part of the annual budget and strategic planning cycles.

Source: UK Government (2021^[17]); (UK Government, 2021^[18]).

No clear whole-of-government strategic planning process is implemented, beyond the Rules of Procedures

In most OECD countries, the CoG is tasked with translating the government's strategic vision into a government programme, articulating it with existing strategies, mandating line ministries to develop sectoral strategies, and monitoring their development and implementation. The CoG very often also plays a role in resolving conflicts between ministries, including strategic misalignments or disagreements.

The government of the Czech Republic has developed a number of mechanisms and instruments to support the strategic planning process. In particular, as mentioned above, the government Rules of Procedures, eKLEP, and the architecture of public advisory and working groups in specific fields help provide structure in the preparation and approval stages of strategies.

However, the current strategic planning process from the centre defined in the Czech Republic does not cover the entire strategic planning cycle from the initiation to the approval and implementation of strategies. It also does not enable the centre to provide strategic guidance and play an effective role of checks and balances. There is also no mechanism in the centre to ensure that a new strategy is systematically linked with the challenges and needs identified in Czech Republic 2030 and other key long-term strategies. At the initiation phase of a strategy, for instance, the Czech Republic does not have specific interministerial mechanisms led by the OG where the need for an existing strategy can be updated or dismissed, or a new strategy framed, discussed and compared with existing documents to avoid duplication, and which helps the CoG to give a mandate to prepare a specific strategy. These co-ordination mechanisms can also help at the development stage of the strategy to revise the draft document in terms of consistency and methodology before going through the formal interagency commenting procedure, which is already at a late stage in the strategic planning process.

During the review stage of this procedure, the OG plays the role of one of the commenting points but does not play a leading role in checking and reviewing the substance of the documents in accordance with the Policy Statement of the Government. It also does not resolve conflicts and cannot send the document back to line ministries, except on legislative grounds through the role of the Legislative Council. The OG does not have the final say on the consistency and coherence of the new strategic document with the Policy Statement and government's priorities before the document is submitted to the government meeting. These gaps contribute to the proliferation and parallel preparations of strategies by different ministries and committees and the overall misalignment of strategies. While the MORD assesses the technical quality of

the strategy, the OG could further assess its fulfilment and alignment with strategic priorities, the Policy Statement and other existing strategies.

Recent cross-government efforts to support strategies being replaced, merged or co-ordinated have not brought significant results

The high number of strategies leads to inconsistencies and difficulties in co-ordinating and implementing strategies considering available resources. One way to address such a challenge is to streamline the number of strategies by cancelling or merging redundant documents. To abolish some of the existing strategies, the MORD analysed 60 documents in 2016 and 2017, to decide whether they would be developed or not (Government of the Czech Republic, 2017^[19]). Nevertheless, this initiative had a very limited impact and the number of strategies in the Czech Republic remains high.

The MORD also undertook a stocktaking exercise in 2021, when other ministries were officially asked to update the relevance and necessity of their individual strategies in the registry. More than 90% of the answers stated that the documents were still relevant and necessary. It was thus perceived that there was virtually no place for merging or reducing the number of strategies. The process and results of the stocktaking exercise raise questions on the clarity of the objectives and the absence of constraining targets in the exercise. They also raise questions about the convening power of the MORD in leading the streamlining process and challenging these answers *vis-à-vis* line ministries. Strategic documents might also sometimes play a legitimising role and create a mandate for ministries in given fields, making their abolition not seem desirable.

As described in Box 2.5, for example, in Lithuania, there were around 290 strategic documents in 2015 and 1 800 monitoring indicators based on the strategic action plans. The country is working on streamlining them (Nakrošis, Vilpišauskas and Jahn, 2020^[5]).

Box 2.5. Auditing the strategic planning system – Lithuania

In Lithuania, there were about 290 strategic documents in 2015, and strategic action plans included 1 800 monitoring indicators.

The 2016-20 government developed guidelines and an action plan for restructuring the strategic planning and budget formulation system to focus more on results and ensure fiscal sustainability. A new Law on Strategic Management No. XIII-3096 was adopted on 25 June 2020 and regulates a results-oriented strategic management system: laying down the principles of the new strategic management system, the levels and types of planning documents, their interrelationships and their impact on the planning of funds, the participants of the strategic management system, their rights and duties, and the provisions for governing the strategic management system. The objectives are to optimise the number of strategic planning documents to make planning, monitoring and evaluation clearer, as well as to revise the preparation, approval and implementation of strategic planning, i.e. thus setting out a new strategic planning system (National Audit Office of Lithuania, 2021^[20]).

On the basis of the law, the government planned to approve the Strategic Management Methodology detailing its implementation. To ensure that the strategic action plans reflect the essential objectives set out in other planning documents, the guidelines must determine which elements of the planning documents must be transferred to the strategic action plans, and according to which criteria.

The ongoing implementation of this audit of strategic planning documents aims to reduce the number of strategic planning documents from 290 to 100. However, many types of strategic planning documents would remain (Nakrošis, Vilpišauskas and Jahn, 2020^[5]).

Sources: National Audit Office of Lithuania (2021^[20]); Nakrošis, Vilpišauskas and Jahn (2020^[5]).

A number of strategies were prepared based on EU funding requirements but are not necessarily used or connected with other strategies

A number of EU funds are conditional on the existence of a strategy in the specific area concerned. OECD interviews with different stakeholders in the Czech Republic highlighted that several strategies have been developed because of these strict requirements for receiving EU funds. For example, different strategies on minorities were reported to be developed following EU requirements. This programming requirement does foster the development of longer-term strategies in the Czech Republic and encourages strategic thinking over time horizons longer than the government's mandate.

Nevertheless, several of these strategies have been reported to be “tick-the-box” exercises and are not used nor linked to other long-term or sectoral strategies. This can thus reinforce the lack of ownership of some strategies, the existence of a high number of strategies in the country and the misalignment between them. The preparation of new strategies needs to ensure there is no overlap with existing strategies or a lack of focus on implementation. It should be used as an incentive to update, complement or replace strategies to make the process useful for the country.

Monitoring and evaluation of specific strategies is reportedly done at the agency/ministry level, but results are insufficiently integrated into new strategic cycles

A robust monitoring and evaluation system is essential to achieve short-, medium- and long-term objectives. When information from monitoring and evaluation reports is fed back to policymakers and decision-makers, it can provide the necessary data and information to guide strategic planning and design, implement programmes and projects, and allocate and reallocate resources better (OECD, 2021^[21]). There is no centralised monitoring system in the OG that allows measuring the progress of the implementation of major national strategies or the contributions of sectoral strategies to the achievement of the country's strategic goals. As highlighted by stakeholders interviewed for this review, the results of each strategy are assessed separately by each committee or each ministry and are not shared through a defined process or monitoring tool. A number of the monitoring activities also focus on outputs and deliverables, looking at the number of measures and laws passed rather than on the strategy's outcome and impact assessment. That leaves the OG in the dark on the actual results and impacts of key strategies, impeding its capacity to develop or adapt strategies or to mandate line ministries to do so.

Individual strategies in the Czech Republic are reportedly monitored and evaluated by the body in charge of the strategy. Implementation of sectoral policies is discussed in the different government committees. When the action plan period of the strategy ends, implementation and evaluation reports are also processed through the government meeting. However, there are rarely discussions on the monitoring results and on what needs to be changed or revised during implementation or in the preparation for future documents. The overall tendency observed and reported in most cases, for both monitoring and evaluation practices, is to comply with the requirement without actually feeding back the information into decision-making at the level of the CoG and the ministry. This prevents adapting existing strategies or developing new ones in light of previous experiences, achievements and gaps. The Irish Government Economic and Evaluation Service is a good practice that could prove useful for the Czech Republic (Box 2.6).

Several stakeholders reported an absence, inaccessibility or inadequacy of indicators in many strategies. According to stakeholders interviewed during the fact-finding mission, indicators are missing in most strategies, or are inadequate for effective monitoring.

Box 2.6. The Irish Government Economic and Evaluation Service

The Irish Government Economic and Evaluation Service (IGEES) is an integrated cross-government service, also anchored in the Department for Public Expenditure and Reform, to enhance the role of economics and value-for-money analysis in public policymaking. Created in 2012, the IGEES demonstrates the government's strong commitment to a high and consistent standard of policy evaluation and economic analysis throughout the Irish civil service. In that regard, the IGEES has an important role in the reform and strengthening of the civil service and in supporting the government in progressing major cross-cutting policy challenges such as economic growth, social exclusion, and better service delivery and policy design.

The IGEES' goals include: developing a professional economic and evaluation service that will provide high standards of economic and policy analysis to assist the government's decision-making process; ensuring the application of established best practices in policy evaluation in support of better value for money and more effective policy and programme interventions by state authorities; facilitating more open policy dialogue with academia, external specialists and stakeholders across the broad socio-economic spectrum.

The IGEES has over 200 staff to fulfil its different missions, working not only on evaluations, but also on expenditure reviews, economic analysis and more broadly evidence-based policymaking. Its employees are seconded across departments to instil a culture and expertise on policy development across government.

Sources: OECD (n.d._[22]; 2020_[23]).

Alignment with the Ministry of Finance is largely carried out through formal procedure, but there is a limited link between funding and strategic priorities

Strategic planning needs to ensure that policy instruments such as budgeting, regulations and workforce planning are allocated to support the strategy. Strategic planning can be a shared responsibility, like in more than a third of OECD countries, where the CoG plays a collaborative or supportive role. Here, the Ministry of Economy and the Ministry of Finance play a crucial role in strategic planning. To ensure fiscal alignment, 85% of CoGs work with Ministries of Finance to link national strategies with the national budget (OECD, 2018_[10]). However, a number of them report challenges in practice in aligning strategies and budgets. Countries consequently experience a disconnect between the development of strategies and their monitoring and implementation. For instance, Ministries of Economy and/or Finance are more likely to play a leading role in the planning process when budget rigidity is a determinant factor in whole-of-government planning (OECD, 2022_[24]). Principle 2 of the OECD Recommendation of the Council on Budgetary Governance (OECD, 2015_[25]) aims to help policymakers use the budget as a substantial policy instrument to achieve the government's medium-term strategic priorities (OECD, 2020_[11]).

The Ministry of Finance plays a role in revising strategic documents in connection with the budget

The Ministry of Finance (MoF) plays an important role in reshaping and revising government strategies and policy documents. Indeed, the MoF revises and comments on documents, particularly during the interagency commenting procedures. Line ministries must provide a costing estimation with the strategy that the MoF reviews to assess its feasibility. In some cases, experts in two departments in the budgetary section of the MoF who are specialised in individual line ministries and state funds budgets co-operate with

line ministries on the preparation of documents if so required by the line ministry. Before the government approves the document, it is submitted to the commenting procedure and this procedure can, according to line ministries, generate comments and challenges on some measures due to a lack of financial feasibility that can result in the adjustment or removal of measures and components, including some that are considered crucial by the authoring public institution. While the financial costing of the measures is compulsory in the submitted document, the MoF might have conducted the financial costing exercise and scenarios more thoroughly and commented on revising the document accordingly. As a result of this review, a number of measures in different strategies do not receive the funding necessary for their implementation and are not pursued and implemented. Cost estimation is compulsory but the full set of measures planned in the strategic document can go beyond the financial estimation.

According to the Rules of Procedure, when the submitted documents create financial requirements to be included in the state budget, the material for a government meeting contains the specific source from which these requirements will be covered (a shift within the scope of the budget of the relevant chapter or a reduction in the expenditure of another state budget chapter, etc.) (Government of the Czech Republic, 1998^[7]).

Line ministries underlined the lack of co-operation between the line ministry authoring the strategy and the MoF on costing the measures in the earlier stages of strategy preparations before the document is submitted for comment. The dialogue should involve the ministry's budget and policy departments to ensure a common approach to costing measures and funding priorities. This collaboration would entail discussions on the prioritisation of the allocation of resources, on the preparation and review of cost estimations, and on the cost effectiveness of measures *vis-à-vis* the strategy's key measures and objectives. The MoF also noted the absence of a systematic process to ensure that cost estimates and the link with costing are done when the strategy is conceived and developed. The OG could support this dialogue and be involved in the discussion on strategic plans related to the government's key priorities and ensure decision points and blocking points are reported to the Prime Minister when needed.

The MoF is creating a new unit on spending review to increase the value for money of expenditures. This unit is expected to improve the assessment of the cost effectiveness of measures, enhance the dialogue on funding priorities and strategies, and align spending allocations with government priorities (OECD, 2021^[4]).

Overall, it appears that policy planning is not systematically linked with financial planning, apart from the commenting procedure, so strategic documents are aligned with appropriate financing during their development phase, decreasing their relevance. For instance, discussions on costing strategies and their measures before the interagency commenting procedure could have helped foster dialogue and revise options according to the financial scenarios and costing done with the MoF.

There is a limited connection between high-level prioritisation and the budget

The government does not prepare a detailed financial assessment of the cost of the Policy Statement. Line ministries provide detailed annual measures to the OG through the annual work plans requested by the government agenda team and the minister for legislation, but cost estimation is sometimes not enough to fund a full set of measures, which can lead to measures being taken out because of a lack of financial viability. This can hinder the effective implementation, as no specific resources are allocated to each action. To ensure that there is funding associated with each action, the MoF needs to prepare financial scenarios mainly based on the legislative work plan for the year, but these scenarios are not done in direct interaction with the line ministries and public institutions that put forward the measures. This results in measures that are planned in the Policy Statement and annual work plans being removed or reduced due to a lack of resources and funding from the budget. The upcoming creation of a Spending Review Unit in the MoF can also help align expenditure with government priorities during the budget process and improve expenditure prioritisation. Sweden provides an example of linking the budget with government priorities (Box 2.7).

Box 2.7. The budgetary framework in Sweden and its link with strategic priorities

Sweden has a robust budget framework based on the Budget Act and carries out prudent fiscal policies, resulting in a budget surplus/small deficits. Its budgetary framework is characterised by a number of features that evolved in 2019: a target surplus corresponding to one-third of a per cent of gross domestic product (GDP) on average over an economic cycle; a central government expenditure ceiling; and a desired debt anchor of 35% of GDP.

The government submits a Budget Bill to parliament in the fall. The starting point for this whole-of-government exercise is the government's economic policy objectives. The Budget Bill notably includes proposals for expenditure allocation, a revenue estimate, and an outlook of the economy and the public finances. The budget also includes a table of reforms through which the government identifies key priorities and measures and provides cost estimates for the next three years. These reforms relate to the government priorities, for instance on "A reliable welfare state" and "A new effective and ambitious energy and climate policy", and help ensure specific, appropriate funding.

Sweden has a sound and particularly stable medium-term expenditure framework, with three-year rolling ceilings legally grounded in the Budget Act and government priorities discussed in December of budget year 2. Sweden stands out for the very strong connectedness between the national medium-term fiscal plans and the annual budgets, as well as for the extensive coverage of targets included in the national medium-term fiscal plans.

Like 31 OECD countries, Sweden has introduced spending reviews that it conducts on an annual basis. These reviews aim primarily to control the level of expenditures and increase the effectiveness of spending.

Sources: EU (2020^[26]); Swedish Fiscal Policy Council (2019^[27]); OECD (2021^[4]); Swedish Ministry of Finance (2022^[28]).

The centre of government lacks a coherent whole-of-government vision, ownership and steering capacities on strategies, despite the existing set of instruments

The realities and emergencies of managing immediate domestic and international challenges tend to crowd out the pursuit of longer term goals and the realisation of that initial strategic vision in most countries. The CoG is uniquely placed to act as the guardian of the government's vision by translating election manifestos into a whole-of-government strategy that informs policy priorities and the ministries' and departments' work programmes. It can promote consistent policies and strategic alignment, including by assessing the extent to which policy proposals generated by individual ministers and their ministries fit into the broader policy context, verifying the overall strategic "fit" of policies and programmes (OECD, 2018^[10]).

Strategies are sometimes not implemented by incumbent governments as they were driven by the previous governments' priorities

New governments do not consider themselves accountable for past strategies and do not connect new strategic documents or policies with them, making them redundant or irrelevant. When this occurs, the chances of a strategy being successfully implemented are drastically reduced. This undermines the continuity of the implementation of the strategy and can result in inconsistencies in strategic priorities. Better steering efforts from the centre are needed to ensure that existing strategies are updated or replaced according to new priorities to provide clear whole-of-government direction on the priorities and the work to be carried out and to avoid the multiplication of strategic documents and efforts.

Challenges can be expected with implementing strategies that are not led by the CoG, starting with the Recovery and Resilience Plan

Through its central location and proximity to the Prime Minister, the CoG is best placed to develop, co-ordinate, steer and monitor government-wide strategies and action plans. CoGs in virtually all OECD countries were tasked with managing the strategic planning for the recovery from the pandemic (OECD, 2021^[4]). In the Czech Republic, strategic planning for the recovery has been mainly led by the Ministry of Industry and Trade together with the Ministry of Finance, the MORD, and the Ministry of the Interior. The EU approved the Recovery and Resilience Plan (RRP) in July 2021 that will help the Czech Republic finance and implement reforms and investments to recover from the COVID-19 pandemic, covering the green and digital transitions and economic and social resilience (European Commission and Czech Republic, 2021^[29]). All ministries were involved in preparing the RRP and were in charge of some parts of the plan that cover areas related to digitalisation, climate change, and economic and social resilience. The Section for European Affairs in the OG plays a key role in co-ordinating all policies and work related to EU affairs on behalf of the government. The implementation of the RRP will need to be properly aligned with the Policy Statement and key strategic documents to avoid encountering challenges similar to the ones described above, as no action was taken to improve co-ordination or decision-making mechanisms, emphasising the key role to be played by the OG in strategic co-ordination.

There is an overall lack of analytical resources and strategic capacities in the government

Interviews with the OG and line ministries also pointed to a lack of strategic and analytical capacities to effectively prepare and implement strategies, policies and legislation.

A key initiative to address this issue has been the creation of the VAU. The VAU has been built in the OG under the minister for legislation and, as a first step, will focus on helping line ministries to develop quality RIAs and legislation. The government had appointed resources and staff in the VAU at the time of writing. This initiative was, however, not linked or co-ordinated with the PAR, even though Objective 3.1.1 of the PAR foresees the creation of a central analytical unit providing knowledge support to other ministries through a network (Government of the Czech Republic, 2020^[30]).

The state administration in the Czech Republic must be able to ensure that the use of public funds and the creation of regulations always lead to sustainable public finances and the greatest possible improvement in the quality of life of citizens. The long-term goal is therefore to develop a culture of decision making in the public administration that is based on the best available data. The establishment of the VAU aims to significantly support a quality system of analytical work in the state administration. The unit is expected to contribute to improving the functioning of the state administration in two ways. The first is its direct involvement in the process of strategic work preparations and regulations. The second is the support of analytical departments, including the activities of the so-called policy lab, networking with external experts and informing about the benefits of fact-based decision-making. In addition, the department will perform ongoing analytical tasks for the needs of the Prime Minister. Nevertheless, in the long term, it is necessary to strengthen analytical capacities in line ministries too, as having just the analytical unit in the OG will not be enough to strengthen the quality and evidence-based approach of policies and regulations across the government.

The objective would be to develop similar entities in the line ministries to create a network of VAUs, support quality policy and legislation making across the administration, and expand the model to strategies beyond legislation. Similar gaps in strategic capacities have been observed in line ministries and also call for the development of strategic units in all line ministries. The government of the Slovak Republic also followed an approach of developing specific bodies to reinforce analytical capacities across the government through the creation of institutes (see Chapter 3).

The centre of government lacks the leadership to drive and co-ordinate strategic priorities and the government agenda, and help break down silos

Long-term priorities are addressed from different locations and by mechanisms

The emergence of horizontal multidimensional challenges has reinforced the need for a whole-of-government approach and co-ordination to address them. In the Czech Republic, the management of cross-cutting strategies and topics is very often located in different ministries and through different committees, making it difficult to steer directions and align the whole of government at a decision-making level on these issues, leading to insufficient capacities to address horizontal issues, such as inequalities and sustainable development. For example, digitalisation has been mainly located in the Ministry of the Interior, while climate issues are addressed by the Ministry of the Environment, even though these cross-cutting topics concern far more than only these ministries.

The institutional setting on digitalisation has been evolving to reinforce a whole-of-government steering and approach to the topic with the appointment of a Deputy Prime Minister for Digitalisation in the CoG. This model can improve the co-ordination and monitoring of digital initiatives across the government with a steering role of the centre. Current activities and implementation would be supported by the new Digital and Information Agency and some initiatives would remain in the different ministries. Horizontal strategies could be followed by dedicated units and staff in the OG for steering and co-ordinating purposes, such as sustainable development and public administration reform.

There is a lack of a central unit to carry out this strategic co-ordination and align roles

The Czech government's latest plans on systematisation consider re-establishing a strategic unit in the CoG. The unit could help steer, align and monitor key strategies across the government, provided its mandate is allocated the appropriate capacities, authority and mechanisms to co-ordinate national and sectoral strategies. Previous units for horizontal strategic planning were based in the OG and the MORD but were subject to many changes, hampering continuous action. Strategic units established in different ministries lack the convening power to align and review for the whole of government.

While there are various institutional models to steer strategic planning in OECD countries, 61% had a strategic unit in the CoG. These units are tasked with preparing and/or co-ordinating the government's main strategic initiatives and articulating the whole-of-government strategic framework (OECD, 2018_[10]). They also co-ordinate and support the work of strategic units across line ministries. Estonia has created a Strategy Unit in the CoG that has helped the country better lead, align and implement its government programmes as well as its long-term strategies (Box 2.8).

Box 2.8. The Strategy Unit in the Office of the Government of Estonia

Estonia has a Strategy Unit in the Office of the Government in charge of translating the Coalition Agreement into a strategic four-year action plan called the Government Programme. The Strategy Unit translates the Government Programme into actionable commitments for implementation by the government.

The unit works with the other centre-of-government institutions and line ministries to translate the coalition's political commitments into the Government Programme and action plans. This includes refining policy objectives by sector and sub-sector along with the performance information needed to assess whether departments and ministries achieve the results the government commits to under its programme.

The Strategy Unit sustains close working relations with the network of deputy secretaries-general responsible for policy in line ministries for this exercise and monitoring performance as these action plans are being implemented. It also sustains a close working relationship with the Ministry of Finance to ensure that the Government Programme, National Competitiveness Strategy and multi-year budget framework are linked.

The Strategy Unit has allowed the Prime Minister to exercise quality control over all government-wide strategies and to decrease the number of strategies – notably through the Strategy Unit exercising its mandate in co-ordination with the Ministry of Finance. The unit has allowed establishing:

- clearer ties between the Government Programme, overarching national strategies, sector development plans, organisational development plans and the state budget
- better tools to set development plans and ensuring they are aligned with the Government Programme's overarching objectives
- improved development plans that demonstrate more thorough planning on the rationale for the plan's policy objectives, their alignment with the government's strategic objectives and the financial resources to implement these plans that align with the state budget
- clearer responsibilities and shared accountability for implementing priorities in the Government Programme
- closer monitoring of the implementation performance of the Government Programme
- better links between strategic planning and the budget process.

The Strategy Unit also ensures that all single-sector and horizontal strategies align with the Government Programme. During the process of creating or renewing strategies, the Strategy Unit ensures close communication with relevant ministries to ensure their strategies align with the government's single-sector and government-wide strategic objectives. To this end, ministry-based single-sector strategies must be accompanied by action plans that are presented to the government no more than three months after the strategy is adopted. They must be renewed every year.

Source: OECD (2015^[31]).

The Czech Republic lacks a performance framework to monitor the implementation of strategies

The OG lacks specific monitoring instruments and indicators to assess the implementation of key national strategies and the achievement of outcomes. To help define the CoG's purpose as the efficient and effective manager of the whole of government with a focus on results for, and with, citizens, it is important to establish a performance framework that describes the set of cross-agency joint goals and priority outcomes the CoG is working to accomplish. The policy document should detail how the government seeks to accomplish these objectives and include clear responsibilities for individual institutions. An example of a performance framework in a federal OECD country is the US Federal Performance Framework (Box 2.9), that presents an integrated overview of the government as a whole and could serve as inspiration for a CoG-focused performance framework in the Czech Republic. Another interesting example at the subnational level is the Scottish National Performance Framework (Box 2.9).

Box 2.9. Performance frameworks in OECD countries

United States

In the United States, a dedicated website (Performance.gov) communicates the goals and outcomes the federal government is working to accomplish, how it seeks to accomplish them and how agencies are performing. Agencies identify both short- and long-term goals to be reflected in four-year strategic plans, annual performance plans and a limited number of agency priority goals. The public can explore those goals and the progress being made to meet them on line on a central website that provides a comprehensive picture of government performance.

Based on the 2010 Government Performance and Results Modernization Act, the government-wide framework requires federal agencies to set performance goals that deliver results for the American people, establish management processes to review progress and regularly communicate the progress being achieved against those goals.

Scotland/United Kingdom

The Scottish government launched the first National Performance Framework in 2007. It set out in its purpose and outcomes its aim to measure national well-being beyond gross domestic product. Its purpose is to focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish by increasing sustainable economic growth. To help achieve its purpose, the framework sets out 11 “national outcomes” strictly linked to the Sustainable Development Goals.

The framework measures Scotland's progress against the national outcomes. To do so, it uses 81 “national indicators”. These indicators measure national well-being and include a range of economic, social and environmental indicators. The framework includes an “interactive data dashboard”, which contains all the data held for each indicator.

This system aims to abolish departmental structures in the Scottish government to discourage silos and facilitate effective cross-cutting government and is based on a partnership approach across central and local government and all public services.

Sources: United States Government (n.d.^[32]); Scottish Government (2020^[33]).

Policy co-ordination and decision-making

Government-wide policy co-ordination is crucial to enable an integrated and coherent approach to public strategies and policies and ensure effective and co-ordinated implementation, especially in a context of limited financial and human resources. It is a necessary condition for better policy design, improved planning and better engagement with stakeholders to implement and evaluate complex strategies. The emergence of a growing number of horizontal and multidimensional challenges for governments, such as climate change, gender issues, inequality or recovery from the COVID-19 crisis, has also reinforced these co-ordination needs from the CoG. The trend toward the multiplication of administrative structures at the national and local levels also calls for governments to increase co-ordination capacities and instruments (OECD, 2020^[1]).

Through its central position, its proximity to the Prime Minister and its capacity to mobilise, the CoG plays a key role in steering the government agenda, co-ordinating public policies, and ensuring consistency on cross-cutting issues such as digitalisation or sustainable development. The CoG plays an important high-level co-ordination role in OECD countries to share the government's general orientations and ensure public policies are aligned with the government's programme and priorities, to harmonise cross-cutting national policies and sectoral policies, and to resolve potential difficulties or conflicts before Cabinet meetings. The CoG's co-ordination function also makes it possible to overcome the effects of silos between public institutions and ensure the coherence of initiatives carried out by the whole administration at all stages of the public policy development cycle, from their preparation to their implementation and evaluation. This is an essential function of the CoG in two-thirds of OECD countries, which must enable the implementation of the government's objectives and priorities by the entire administration and all public institutions (OECD, 2018^[2]).

The institutionalisation of strong decision-making and co-ordination mechanisms within the government makes it possible to strengthen the coherence of public policies. Cabinet meetings are the major decision-making instrument and ensure high-level alignment within the government. CoGs use a number of other instruments and mechanisms to strengthen and sustain interministerial co-ordination, particularly interministerial committees and various groups of high-level advisors led by the centre. In OECD countries, the CoG is also highly involved in organising cross-government policy co-ordination committees, including at the ministerial level (OECD, 2018^[10]). More than three-quarters (78%) of respondents reported organising meetings of ministers, confirming the CoG's close proximity to and involvement with the wider executive. Depending on the country and the governance system, these co-ordination mechanisms can take different forms and involve different levels of interlocutors (ministers, secretaries of state, directors of administration) (OECD, 2018^[2]).

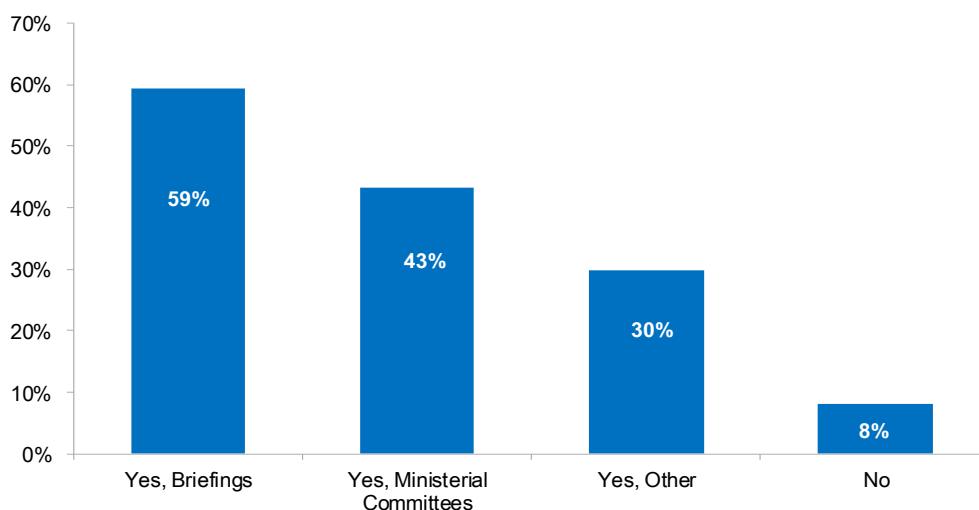
The Czech Republic has established a number of interministerial co-ordination instruments, particularly interministerial committees and public advisory bodies linked to the CoG or line ministries to support policy co-ordination and coherence in different fields. A dozen of these committees are under the responsibility of the CoG, covering strategic issues, horizontal challenges or minorities, including the National Security Council, the Government Legislative Council or the Committee for EU.

Various interministerial working groups are formally established under a specific ministry, in which different ministries are represented. They help advance priorities over time that only concern specific line ministries, or are not core to the present government's agenda but can also represent an attempt to overcome the absence of a governing role of the CoG and a manifestation of persistent strong departmentalism (silo mentality). Different ministries and entities the OECD met all pointed to the lack of co-ordination and alignment across policies and strategies and to the remaining silos in the administration. Further restoring and increasing the OG's capacities and instruments to co-ordinate decision-making and policies can help strengthen the steering and consistency of policies and strategies in the Czech Republic.

The Czech Republic has clear decision-making procedures and tools

In most OECD countries, Cabinet meetings are the principal forum for policy deliberation and decision-making (OECD, 2018^[31]). Most systems also involve committees of ministers, state secretaries and advisors to prepare and transmit advice to the Cabinet or the head of government. The centre plays an important role in preparing these meetings by verifying the quality of advice and supporting information, helping resolve disputes, and ensuring that any required procedures (consultation, RIA, articulation of financial and legal implications) are followed (Figure 2.3).

Figure 2.3. The centre of government’s responsibility for co-ordinating the discussion of agenda items prior to discussion by the Cabinet in OECD countries



Source: OECD (2018^[10]).

The Czech Republic has robust decision-making instruments and mechanisms that align with other OECD countries’ practices. Regular government meetings and well-defined rules of procedures to submit documents to Cabinet are firmly established, led from the centre and routinely used by the whole of government. Their preparation and the process of submitting, commenting on and reviewing documents are supported by an electronic library, eKLEP. A number of public working and advisory bodies are also involved in preparing, reviewing and submitting documents for the government meetings.

Cabinet meetings are held on a weekly basis and preparations are underpinned by the Rules of Procedures

Government meetings are the key government decision-making instrument. They are held weekly, usually on Wednesdays, and are headed by the Prime Minister. They are prepared and supported by the OG, which is one of the OG’s key functions, as stated on the official government website. The Government Agenda Department within the OG is more specifically in charge of preparing and disseminating the agenda, supporting the organisation and logistics of the meeting, and circulating the proceedings of the meeting. Proceedings are published on the OG’s website and are publicly accessible.

The role, preparations and conduct of the government meetings are thoroughly defined by the Rules of Procedure approved by Government Resolution No. 610 of 16 September 1998 and amended several times (most recently by Government Resolution No. 145 of 2 March 2022). The government usually takes decisions based on written material submitted to it by a member of the government (exceptionally, if the

matter is urgent and cannot be postponed, the information can be given verbally). The material is submitted for opinion (“comment points”) through the electronic library, eKLEP, through which all government entities, local governments, interministerial advisory and working bodies, and other public institutions can submit materials for the government meeting. “The party presenting material for government meetings shall be a member of the government or, in cases laid down by law, the president of the Czech Statistical Office, the governor of the Czech National Bank or the ombudsman. Additional procedures are also planned for specific cases and documents” (Government of the Czech Republic, 1998^[7]). The comment points serve to communicate the opinions to the party presenting the material. Before being submitted to the government, each document for a government meeting shall be presented for opinion to all ministers, the Deputy Prime Minister and the director of the OG, as well as to the governor of the Czech National Bank if the matter is within its competences.

The Rules of Procedure include detailed organisational provisions and a schedule for documents in preparation for the government meeting, and plan for exceptions and different cases depending on the nature (legislative, non-legislative) of the document. For instance, the time limit for an opinion is ten working days, unless the party sending the material for an opinion sets a longer time limit. One week before the weekly government meeting, submitted proposals are included in the preparation of the revised programme that is signed by the Prime Minister. The programme is then published on the Thursday of the week before the meeting and edited on Monday according to ministries’ requests before the government meeting on Wednesday (Government of the Czech Republic, 1998^[7]).

The Rules of Procedure also aim to help resolve conflicts and disagreements. When two strategies conflict, or there is a disagreement on a crucial comment, discrepancies should be found and resolved through the interagency commenting process. Meetings can be held between the ministries involved at the initiative of the one submitting the materials, usually those at deputy minister or state secretary level (Government of the Czech Republic, 1998^[7]). If conflicts are not settled through this process, the issue is taken to the government, but this rarely happens as most conflicts are settled during the interagency commenting process, under the chairperson of the OG.

The OG supervises and supports the implementation of the Rules of Procedure and is one of the “commenting agencies” during the inter-departmental commenting procedure before the document is submitted to the government meeting. The various departments and sections of the OG can submit comments. All comment points have the same weight in the process and all “essential” comments have to be settled. Different departments in the OG play a specific role in preparing the Cabinet meetings. While the Department of the Government Agenda focuses on logistical and organisational aspects and on the agenda preparation, the Department for Legislation is tasked with reviewing the documents’ legal content and conformity. The legal review and quality control of items for the Cabinet meeting is a typical role of CoGs in OECD countries (OECD, 2018^[2]). In the Czech Republic, this review is also carried out by the Government Legislative Council under the OG.

The Government Legislative Council also plays an important role in the procedure and its opinion is accorded significant weight. Legislative materials follow a specific procedure as they need to receive the opinion of the Government Legislative Council (Government of the Czech Republic, 2022^[34]). It has been reported to the OECD that, in practice, documents that receive a negative opinion from the Government Legislative Council are usually not submitted to the government meeting by the entity that proposed them. Hence, the mechanism proves to be effective.

Sixteen councils contribute to the decision-making process in the Czech Republic on various topics and with different attributions

Decision-making processes in the Czech Republic are supported by 16 interministerial councils that can submit materials in the preparatory procedures for the Cabinet meeting and participate in the interagency commenting procedure. The councils contribute to decision-making on a vast array of topics and with

different attributions. Most have limited powers, as they only provide recommendations to line ministries about strategies. They can produce their own strategies and submit comments, but are not decision-making bodies on documents and their capacity to influence the reform agenda is limited. The councils' role and functioning will be further described later in this chapter.

Additional instruments exist to support whole-of-government co-ordination

In addition to councils and the Rules of Procedure, the Czech government has developed a number of additional formal and information instruments to foster co-ordination, including on cross-cutting topics. Interviews carried out for this review underlined that the development of some of them also corresponded to a need to compensate for the decreasing co-ordination role of the OG observed over recent years in the Czech Republic that encouraged ministries and agencies to co-ordinate directly among themselves to ensure a minimum level of co-ordination.

Informal and ad hoc co-ordination has helped support the overall functioning of the administration

With the decrease in co-ordination instances in the Czech Republic, informal co-ordination and exchanges have increased across the government driven by initiatives from units and individuals in different ministries. They have helped maintain the overall co-ordination of key activities, implementing some functions and overcoming institutional “silos”. These mechanisms and exchanges have proven crucial to support the functioning of the administration, especially in a context of the weak co-ordination from the centre. For instance, the Strategic Unit of the MORD has played a key role in strategic planning, continued to facilitate the working group on the national strategy registry and supported co-ordination across ministries on strategic documents, providing methodology and guidance. The RIA team of the OG has also offered support and advice on implementing RIAs in different ministries.

Informal and *ad hoc* exchanges among senior advisors and experts are common practices in OECD countries. They contribute to the overall co-ordination and support genuine exchanges across the administration, but should not supersede formal co-ordination and decision-making processes. In some instances, countries have even organised informal Cabinet meetings, such as the evening sessions in Finland, to support dialogue and continued co-ordination besides formal decision-making processes.

The horizontal priority on digitalisation is being transferred and managed by the Office of the Government and will be supported by the new Digital and Information Agency; this could be considered for a limited series of cross-cutting priorities

The emergence of an increasing number of cross-cutting challenges requires alignment and steering from the centre, particularly embracing the digital and green transitions. The CoG is well-placed to steer and co-ordinate those initiatives with its convening power and its traditional co-ordination role. CoGs in OECD countries play a crucial role in cross-ministerial initiatives, by leading them (in 80% of cases) and providing support and facilitation (70%). CoGs do not have the capacity, nor are they intended to steer all cross-cutting priorities; they usually focus on a limited set of priorities. Over half of CoGs surveyed by the OECD cited digital transformation as one of the top three priorities managed from the centre (OECD, 2018^[21]), and 32% of OECD countries have established dedicated bodies within their CoG tasked with leading the climate portfolio overall.

In the Czech Republic, digitalisation is a horizontal priority that is currently being covered by different ministries at different levels, including the Ministry of the Interior and the Ministry of Finance. Digitalisation has moved to the OG through the creation of a position of Deputy Prime Minister for Digitalisation and a dedicated department, supported by the Digital and Information Agency that was established in January 2023 under Amendment No. 471/2022 to Act No. 12/2020. This development could help the

Czech Republic develop a consistent strategy and better co-ordinate the digitalisation of the country and of the government. The OG can thus develop its ability to provide strategic steering and co-ordination of such a cross-cutting topic for the whole of government while the different ministries can continue to carry out certain activities and maintain their related capacities. The United Kingdom is undergoing an effective digital transformation through a central unit and co-ordination networks (Box 2.10).

Another example of addressing cross-cutting topics has been the establishment of the interministerial Steering Committee on the Energy Crisis led by the OG to articulate a whole-of-government response. This is an example of the government's agility to handle and steer from the centre an immediate, horizontal challenge.

This approach to digitalisation and the energy crisis could also be considered for a limited set of other cross-cutting topics that are considered priorities by the government. Considering the challenges linked to decarbonising the economy in the Czech Republic, a similar approach could be followed for climate change and sustainable development currently led exclusively by the Ministry of the Environment and the Council of Sustainable Development with limited convening power, as outlined above.

Box 2.10. United Kingdom: Effective digital transformation through a central unit and co-ordination networks

With its ambitious digital strategy (UK Digital Strategy) established in 2013, the United Kingdom ranks in the top 5 of the OECD Digital Government ranking 2019. The government issued a new cross-governmental Digital Strategy in 2022.

The Governmental Digital Service: The central driving force behind the national digital strategy

The United Kingdom has opted for centralised governance of its national digitalisation strategy (with the aim of becoming “digital by default”), placing responsibility for the digital portfolio within the Cabinet Office with the creation of a dedicated digitalisation unit, the Governmental Digital Service (GDS), since 2011.

The GDS operates as a central team within the Cabinet Office with the role of a specialised and mandated agency to implement the digital strategy and the strategic co-ordination and monitoring of government initiatives. To ensure cross-departmental co-operation, the GDS is led by the Ministerial Group on Government Digital Technology, with heads of digital, data and technology from central government departments. It is also advised by the GDS Advisory Board, the Data Steering Group, and the Privacy and Consumer Advisory Group.

The UK government, therefore, relies on a key competent authority at the centre of government (GDS) with a strong mandate. At the same time, government departments are empowered to implement their digital strategies, with standards and transformation programmes set, supported and monitored centrally by GDS teams.

Steering networks: The Technology and Digital Leaders Network and the Data Leaders Network

For effective implementation and co-ordination, the GDS chairs two major ongoing co-ordination networks:

1. the Technology and Digital Leaders Network (2017) is made up of digital and technology leaders from key government departments, as well as leaders from each of the devolved administrations
2. the Data Leaders Network (2015) aims to ensure that departments' approach to data use and management delivers the government's policy and operational objectives.

Sources: OECD (2019^[35]); Ozols and Nielsen (2018^[36]); UK National Audit Office (2017^[37]).

The centre of government lacks instruments to identify government priorities and translate them into co-ordinated operational plans and actions, thus hampering their implementation

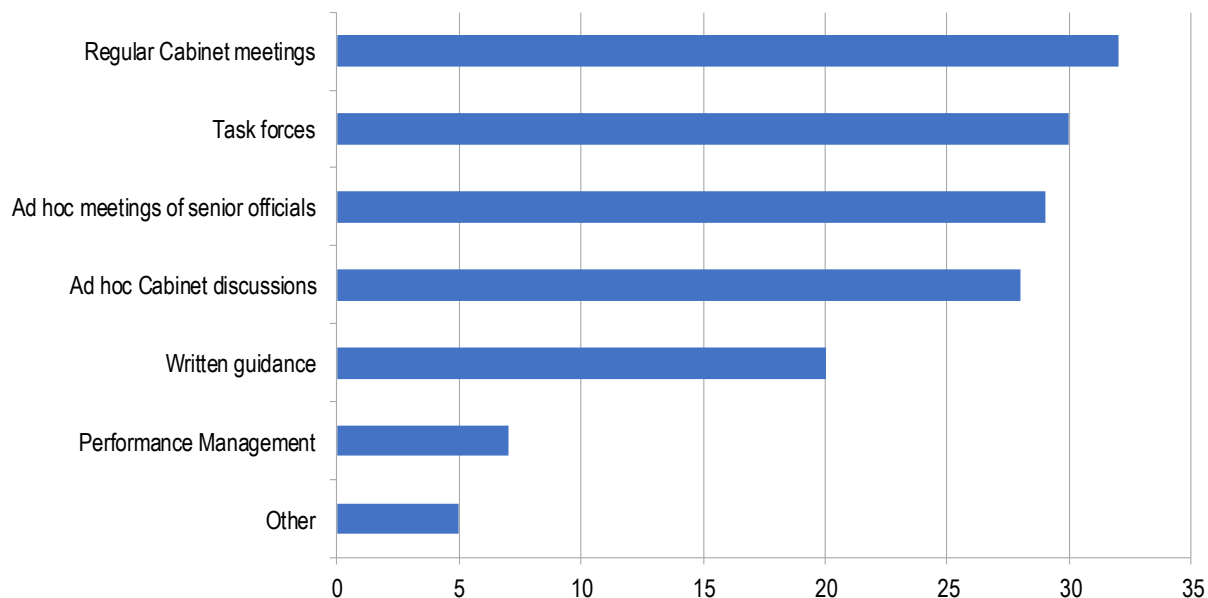
CoGs in OECD countries play a key role in driving priorities and ensuring they are translated into ministerial programmes and actions. The CoG uses interministerial co-ordination bodies to steer priorities; influence the strategies, policies and measures developed by ministries; and ensure consistency with the government programme. In the Czech Republic, the OG lacks key instruments and processes to identify and steer priorities, such as formal meetings to discuss plans and priorities in preparation for the Cabinet meeting, a government action plan to translate the policy statement into action, a policy development framework (including indicators and follow-up mechanisms), and human capabilities to steer the implementation of priorities and lead the co-ordination of the programmes and plans prepared by ministries besides the government meeting (OECD, 2018_[10]).

There is a lack of recurrent, formal meetings to prepare government meetings; most preparations go through the Rules of Procedure

The preparation of the government meeting agenda follows a formal and structured procedure that remains very logistical and organisational in nature. In most OECD countries, the CoG drives and co-ordinates the agenda of government meetings, bringing a strategic perspective in addition to the organisational matters. For instance, in Canada, the CoG (Privy Council Office) checks the consistency of submitted documents and items with government priorities and discusses them during interministerial Cabinet committees before the Cabinet meeting. The OG could take more of a leading role in defining priorities and strategic topics and documents to be addressed at the government meeting, based on a review of documents submitted through the Rules of Procedure and other government priority policies and measures.

There are currently no formal interministerial meetings in the Czech Republic to prepare the government meetings. Consequently, most of the preparations for the government meetings go through the Rules of Procedure, which remain very formal and driven by the review of written documents. Most of the existing interministerial councils focus on one specific theme or area, but the Czech Republic does not have systematic interministerial meetings to prepare the government meeting on a weekly basis. A significant number of OECD countries have established formal interministerial mechanisms to discuss key priorities and materials and ensure policy co-ordination in preparation for the Cabinet meeting, ranging from task forces and *ad hoc* meetings to written guidance (Figure 2.4). In 80% of OECD countries, the CoG is responsible for organising pre-Cabinet meetings of senior ministry officials, usually state secretaries. This helps anticipate issues, resolve conflicts and ensure that the Cabinet meeting is focused on decision-making. It enables better co-ordination and discussions, in addition to formal comments. For instance, Spain has a weekly meeting of secretaries in preparation for the Cabinet meeting.

Figure 2.4. Main policy co-ordination instruments used by the centre of government in OECD countries



Note: Number of OECD member and partner countries using the instrument.

Source: OECD (2018_[10]).

The Policy Statement is insufficiently translated into operational plans and monitored

The Policy Statement of the Government is the key strategic document prepared by the government. CoGs in many OECD countries prepare an operational plan to implement the government programme on a yearly or multiannual basis that will help them support the achievement of the measures by the whole-of-government and monitor progress. In the Czech Republic, the Policy Statement is not translated into a detailed annual operation plan designed and monitored by the OG. Instead, two different work plans are prepared following a bottom-up approach. The OG provides a template and the impulse to draft these documents but has reported limited capabilities to design it based on the government's priorities or to challenge it. In the OG, the Government Legislative Department prepares the annual legislative work plan that is filled in by ministries according to their work programme for the year. The same logic is followed for the preparation of a non-legislative annual work plan. However, there is limited review against the consistency with the Policy Statement and the government programme, and limited challenges directed towards ministries. The OG lacks capacity to steer this work and monitor the implementation of both plans during the year, leading to gaps and inconsistencies in achieving the government's priorities.

The government meeting and its preparations are key for ensuring alignment and consistency with the Policy Statement. Before documents are added to the government meeting agenda, they follow the Rules of Procedure, which include a review by the OG that allows for the consistency review. However, according to the Rules of Procedures, the OG does not have a privileged final role in reviewing it against the coherence of the Policy Statement and cannot reject items. This is a crucial role of the CoG in other OECD countries, with 95% of them reviewing that items submitted to Cabinet meetings are aligned with the government programme, and 40% of them being able to reject items and return them to line ministries on this basis (OECD, 2018_[10]).

The CoG has limited capacity to steer, monitor or the support delivery of the government's priorities

The OG has neither reported any specific instrument or mechanism to monitor the implementation of the Policy Statement nor of government policy priorities on a regular basis, nor to support its delivery, such as a dedicated unit or a dashboard. More than 75% of CoGs in OECD countries monitor the implementation of strategic priorities and ensure that line ministries' proposals are linked to the government's overarching priorities. For that purpose, a number of them have set up dashboards with key performance indicators led from the centre, specific units within the CoG, and interministerial bodies to steer and deliver the priorities and measures of the government programme. More than 60% of them report having a specific unit or team in charge of focusing and tracking progress on the implementation of policy priorities (OECD, 2018^[2]).

While the legislative and non-legislative work plans could provide a basis for an operational follow-up of the implementation of recommendations, they are not used for that purpose. They would also need to be designed and developed in connection with the Policy Statement's priorities and measures, highlighting through which vehicle and plans they would be implemented by the responsible line ministries.

A number of OECD countries have developed capacities to steer and support the delivery of government priorities, moving from a "monitoring" to a proactive "delivery" approach. For instance, the United Kingdom has established a delivery unit in the Prime Minister's Office and in the CoG and set up the Declaration on Government Reform (Box 2.11). It also established outcome delivery plans discussed earlier in this chapter, which set out each government department's priority outcomes and the department's strategy for achieving them (see Box 2.4).

Box 2.11. The United Kingdom's ability to steer and support the delivery of government priorities

The Prime Minister's Delivery Unit

The UK Delivery Unit was established in 2001 within the Prime Minister's Office to accelerate the improvement of and access to public services nationwide. This unit, known as the Prime Minister's Delivery Unit (PMDU), was developed to implement, monitor and deliver the government's policy priorities, particularly in priority areas such as health, education, security and transport. As a result of the PMDU's work, most of the UK government's policy priorities, from access to public transport to crime rates, have improved significantly. The success of the UK experience is partly due to the strong political will and resources that the PMDU has been given, as well as the clarity of the policy objectives to be implemented. The establishment of quarterly meetings and regular updates have also contributed, ensuring effective co-ordination and regular dialogue between the PMDU and other relevant government departments. To enable close and informed monitoring of priority measures and their impact, the PMDU has designed specific performance indicators related to the government's priorities.

Due to political and organisational changes within the Cabinet Office over the years, the PMDU was disbanded in 2010. A year later, it was replaced by a new structure, the Prime Minister's Implementation Unit, with a similar mandate but a different approach, more focused on supporting the implementation of priority policies and less interventionist in nature. The unit has recently been using outcome delivery plans to ensure that priorities are aligned and implemented by line ministries, with dashboards to report and communicate the results.

Declaration on Government Reform

Public administration reform is one important area covered by the current delivery structure in the UK government. The Declaration on Government Reform outlines how the civil service and ministers will reform the public administration together to deliver better services and policies for citizens.

The declaration sets our priorities for reform in three areas:

1. people – ensuring that the right people are working in the right places with the right incentives
2. performance – modernising the operation of government, being clear-eyed about its priorities, and objective in their evaluation of what is and is not working
3. partnership – strengthening the bond between ministers and officials, always operating as one team from policy through to delivery, and between the central government and institutions outside it.

The declaration was officially signed by each minister to ensure buy-in.

Sources: Gold (2017^[38]); Centre for Public Impact (2016^[39]); World Bank (2010^[40]); Harrison (2016^[41]); Government of the United Kingdom (2021^[42]).

Priorities are followed by advisors to the Prime Minister, who are experts on some subjects but are not in charge of steering the implementation of priorities

The Government Programme includes a wide range of measures the government must implement and represent a commitment to voters and coalition parties. In the Czech Republic, advisors to the Prime Minister have been assigned different themes and areas of expertise. However, they rather act as idea providers and are not part of the machinery of government, with limited interactions with ministries. Advisors do not follow the design and implementation of key measures linked to the Government Programme with individual ministries in charge of the topic. This leaves gaps in the alignment between the Government Programme, priorities identified by the OG and programmes developed by ministries. Thematic experts in most CoGs usually closely follow and support the translation of government strategic priorities in line ministries, but this is not the case in the Czech Republic. This results in a lack of guidance and steering on government priorities.

There is a lack of guidance or support capacities from the CoG on policy and regulatory development

Through their central location and co-ordination role, CoGs are uniquely placed to set standards on policy and strategic documents and provide guidance and capacity to line ministries to ensure these quality standards are met. In 91% of OECD countries, CoGs are responsible for ensuring items presented to Cabinet are aligned with certain standards of quality in a format that clearly defines the different options and their implications (OECD, 2018^[10]). In Ireland and Norway, for example, the CoG has issued various guidelines with standards and good practices for policy development, including consultation requirements. In the Czech Republic, there is an overall lack of such a framing guidance from the CoG.

There is a general lack of policy development guidance or support in the CoG, leading to proposals of varying quality

In the Czech Republic, the MORD prepares guidelines and methodologies for developing documents. The Methodology for Preparing Public Strategies mentioned above, for example, could be more user-friendly and detailed, and its use is further supported by the CoG for the whole of government. Ministries report limited guidance or support for policy development from the CoG and develop policies according to their own standards. This affects the consistency of the policy proposals submitted and results in proposals of varying quality. One frequently mentioned element for improving the use of policy development tools, instruments and methodologies is the need to easily access information and documents.

A common way of sharing guidance on policy development in different departments takes place through training, coaching and mentoring from colleagues and line managers, in addition to formal guidance tools and a handbook. In particular, Strateduka is a training course available for the public administration focusing on developing competencies in strategic planning and management, supported by the MORD. The course covers the design, preparation and implementation of strategies with experience sharing from practitioners (Ministry of Regional Development of the Czech Republic, 2020^[43]). Providing peer exchange and learning opportunities both within departments and between departments through mentoring and informal networks of policymakers can also foster knowledge about policy development; cross-pollination of tools, instruments and methodologies; and share best practices on what has worked well. To create more opportunities for on-the-job learning, adequate overlap with previous post holders and policy development manuals from previous incumbents could also be useful. In addition, there should be better use of evidence in policy development and a stronger link to evaluation. The Irish Government Economic and Evaluation Service (see Box 2.6) plays a prominent role in building an evidence-based and data-driven culture in Ireland.

There is pressure for more efficiency through “systematisation” processes in the public administration and the Office of the Government that might conflict with the need to strengthen functions and capacities

The Czech Republic needs to strengthen functions and capacities in the OG and in the public administration at large, particularly on co-ordination, strategic planning activities, and strategic and analytical capabilities. Nevertheless, as reflected in the Policy Statement of the Government and confirmed by fact-finding mission participants, there is pressure to increase the efficiency of the public administration, with an objective to reduce the size of the civil service. This results in frequent “systemisation” processes, the latest of which have taken place since April 2022. While the systematisation process consists of the expression of HR needs from ministries regarding financial constraints and aims to improve efficiency, it has, in practice, been linked to staff reductions. This could potentially conflict with the existing need for additional capacities and resources and will require a fine-tuned identification and prioritisation of the needs and of the planned reductions to ensure it helps improve the efficiency of the administration and increase its capacity to perform its key functions and prepare robust, evidence-based strategies, policies and regulations. The Economic Council of the Government has recently proposed new proposals on streamlining the civil service with a focus on reducing the number of civil servants.

Government councils

Policy advisory bodies and systems can support a better evidence-based and co-ordinated approach into policymaking systems and help break down administrative silos. Arm’s-length policy advisory bodies play a special role in the policy advisory system, underpinning the knowledge infrastructure around governments. Often close enough to government to be up to date on ongoing policy challenges, they have

the potential to act as knowledge brokers entrusted with the capacity to provide neutral and independent findings and policy advice that can fit into the policy cycle and help maintain trust in public institutions.

OECD countries have established a wide range of these bodies with different timespans and structures, usually providing them with clear mandates, roles and compositions. The challenge of striking a balance between their autonomy and their connection and integration into policymaking processes is a crucial one in OECD countries and can also be applied in the Czech Republic (OECD, 2017^[44]). OECD countries also frequently use working groups and committees as co-ordination instruments. A total of 63% of the CoG respondents to the OECD questionnaire resort to working groups to deal with policy co-ordination with line ministries and agencies. Working groups are most commonly established through laws, decrees or other normative acts to focus on particular issues or problems, sometimes with concrete deadlines for developing studies or solutions to challenges. They are usually comprised of several different ministries and institutions. In several countries, the working group is given a specific mandate with target deliverables and a deadline to enhance its effectiveness and ensure that it fulfils its original objectives. Integrating committees and working groups into the decision-making process is also essential to ensure that their policy documents, suggestions and recommendations are taken into account and examined.

The Czech Republic has established advisory and working groups under the OG and line ministries. Their purpose is to support the activities of the government in the area in which they operate and assist in interministerial work and co-ordination.

Government councils are established policy instruments for co-ordination in the Czech Republic and address horizontal or sectoral themes

The Czech Republic has 16 councils, some of them under the Office of the Government or line ministries

The Czech Republic has created 16 councils under the OG and a number of advisory and working bodies under line ministries. Most of these were originally created in the OG, but some were recently relocated under line ministries. The Legislative Council of the Government, the State Security Council and the Government Council for Human Rights and the Government Council for Gender Equality (Box 2.12) are some of the key councils that remain under the OG, among many others. These councils differ widely in nature as some are tasked with horizontal themes (legislative, EU affairs, ethics, information society) while others are focused on specific groups. They can help steer and co-ordinate cross-cutting issues from the centre and ensure strategic alignment, but also provide visibility and representation to some minorities and help them address specific issues. Other advisory and working bodies have also been established under line ministries in charge of a specific policy area. An example is the Council of Public Administration. These bodies address horizontal themes, with the responsibility for the ministry in charge of the council to mobilise other ministries, or sectoral themes, such as the Government Council for Energy and Raw Materials Strategy.

The Czech government has established formal Rules of Procedure for their functioning and the establishment of new structures that consist mainly of standard model documents. The working and advisory bodies' activities are governed by their statute, Rules of Procedure or other binding documents. According to Government Resolution No. 175 of 20 February 2002, members of the government are obliged to create statutes and Rules of Procedure based on model (standardised) documents when establishing new working or advisory bodies. According to the government resolution, as amended by Government Resolution No. 189 of 21 March 2018, chairpersons of working or advisory bodies are obliged to regularly publish annual reports on the activities of the working or advisory body (Government of the Czech Republic, 2018^[45]).

Box 2.12. The Government Council for Gender Equality

Established by a Government Resolution, the Government Council for Gender Equality is the permanent advisory body in gender equality attached to the Office of the Government. Its mandate entails, among others, identifying current problems in this area, coordinating the main directions of ministerial policies in gender equality; discussing and recommending the key conceptual directions of the government's progress in promoting gender equality, especially through the processing of proposals for policies, measures and initiatives on gender equality, to the Government; and, monitoring the implementation of strategic documents and evaluating then effectiveness of measures taken towards the achievement of gender equality.

The Council gathers high-level and cross-governmental representation to coordinate the horizontal and cross-cutting priority area of advancing gender equality. The Chair of the Council is the member of the Government (i.e., Cabinet Member) responsible for the gender equality agenda – currently the Prime Minister. Members of the Council, including two vice-chairs, are also appointed and dismissed by the Chair. This comprises of the representatives of the line ministries, ideally at the level of the Deputy Ministers, or, in certain cases a State Secretary (upon the proposal of the relevant Ministers), of other central organs (e.g., the Czech Statistical Office, the Public Defender of Human Rights), of non-governmental sector, and experts. The Gender Equality Department located in the Office of Government serves as its Secretariat.

The Council can also establish committees dealing with specific issues regarding its area of competence (e.g., domestic and gender-based violence, gender equality in the job market) as well as working groups as needed to deal with specific issues.

Sources: (OECD, Forthcoming^[46]); (Government of the Czech Republic, 2022^[47])

Councils carry out different functions and have been established under different legislative bases, leading to different levels of effectiveness and clarity on their roles and objectives

There are considerable differences in functions and powers among the existing councils and advisory and working bodies in the Czech Republic. These differences are due to the variety of themes that they cover, some being horizontal, others sectoral, still others relate to the issues faced by specific sub-groups (such as the Roma minority) and the promotion of their interests. This creates large discrepancies in their role and composition, with a focus on expertise in some cases or on representation in others, particularly for the councils related to minorities under the OG and its Department of Human Rights and Protection of Minorities. These councils are examined in more detail in Chapter 1.

These differences across councils also partly stem from the differences in legislative bases, leading to different levels of effectiveness and clarity of the councils' roles and objectives. For example, the Legislative Council is established by law (Government of the Czech Republic, 1969^[3]). It is an apolitical entity as its members are experts such as lawyers, academia, etc., representing themselves in the council, not their profession. This contributes to the council's prestige and power, bringing expertise to provide legal advice and review for the government. The other councils are established mostly by decree and are composed of ministers, deputy ministers and other senior officials, as well as representatives of civil society, some of which represent specific interests and are more politically driven bodies.

All these bodies have been established as permanent bodies and remain in place when the government changes, making the overall policy advisory system stable. There have been some revisions and transfers of councils in the recent past. However, councils do not change or are not dissolved in line with government

priorities or when their mandate has been fulfilled. This creates a proliferation of bodies. The typology between permanent and *ad hoc* bodies is very common in OECD countries. The Czech Republic could consider distinguishing between those with a clear, timely objective, for instance preparing a strategy or helping the government reach certain objectives linked to its programme, and permanent bodies that support horizontal co-ordination over the long run. While they publish annual reports, reviews of the efficiency and usefulness of these bodies over time are not carried out on a regular basis (OECD, 2017^[44]).

Numerous government councils and bodies do not fulfil a policy co-ordination role and are not currently fora to debate and agree upon policy priorities and key actions

Most government councils and bodies do not fulfil the role of interministerial policy co-ordination and alignment on transversal issues and are currently not the fora where policy priorities and key actions are debated and agreed upon. Most of them are tasked with preparing and commenting on strategies, discussing activities on the related topics, and following the implementation of strategies, but do not support high-level decision-making or policy action in their own fields. Their capacity to influence the government agenda is limited. In addition, as reported during interviews, most councils meet two to five times a year, but some do not meet on a regular basis and have not met in more than six months. A number of them have been reported to be more discussion fora than active co-ordination bodies where key policies and measures are aligned, and their integration into decision-making processes is limited in practice. Their composition results in a lack of legitimacy or expertise to co-ordinate and support decision-making. Part of the issue comes from the fact that member organisations, particularly ministries, sometimes send lower level officials than expected who, in some councils, such as the councils under the OG's Department of Human Rights and Protection of Minorities, cannot take decisions at the council level. In particular, it was reported during interviews that representatives of ministries sent to replace the usual high-level participant (minister or deputy minister) often do not have voting rights, i.e. are not invested with the power to vote in the council on behalf of the minister, making it impossible to take decisions during these meetings.

When used properly, government working and advisory bodies could contribute extensively to improving policy co-ordination, enhancing the visibility and whole-of-government ownership of key policy actions, and consolidating and aligning sectoral strategies.

Councils are differently integrated into the policy and decision-making processes

Councils have different roles and are differently integrated into the policy and decision-making processes, with a strong role played in particular by the Legislative Council and the Committee for EU Affairs. For example, the Legislative Council has the mandate to receive all proposals and its chair is responsible for co-ordinating the preparation and drafting of regulations. The Legislative Council also has the power to return draft laws to ministries to adjust the shortcomings. Although it does not have formal decision-making power, when the council issues a statement, the government usually takes it into consideration and revises documents and positions accordingly. The Committee for EU Affairs determines positions for the administration and the members of the Cabinet *vis-à-vis* the policies in the Council of the European Union. The committee prepares the meeting to co-ordinate with line ministries and the OG and prepares the Prime Minister's mandate for the European Council. It has proven efficient in preparing the Czech Republic's co-ordinated strategies and positions for the EU.

A number of other councils and advisory and working bodies can submit their strategies and documents for review and provide comments on the materials submitted by others through the government's interagency comment procedure. Their participation in strategic discussions and in the core preparations of the government agenda remains limited. Their key issues and priorities are not always reflected in the Policy Statement or in key horizontal strategic documents. While they can submit and comment on documents through the government Rules of Procedure, their influence appears to be very often limited in this process. Few of them have the capacity to put items on the government agenda and have sometimes

limited convening power and connection to the centre when they are not under the OG. A number of them also face a lack of prioritisation and interest from the centre when their work does not correspond to the centre's stated policy and strategic priorities. Most bodies suffer from insufficient access to high-level policymakers to transform strategies and actions agreed upon by the body into priority policies and measures.

Involving the centre in the committee or appointing interlocutors for each council in the OG could help put their topics under the scrutiny and supervision of the centre, which could help move their topics up on the government's agenda. Box 2.13 discusses the example of the Irish National Economic and Social Council, a strategic council supported by the CoG with a specific work programme. Better integrating committees into the decision-making process leading to the Cabinet meeting is also crucial. Canada provides an example of how interministerial committees can play an important role in the decision-making process (Box 2.14). While the OG does not have the capacity to steer and support all topics and councils – nor should it – it needs to be empowered to lead and co-ordinate those that correspond to the government's key priorities, under the chairpersonship of the Prime Minister. This could mean reconsidering the location of some councils and ensuring that the OG has the capacity and structures to carry out this role.

Box 2.13. The Irish National Economic and Social Council

The National Economic and Social Council (NESC) was established in 1973 and advises the Taoiseach (Prime Minister) on strategic policy issues relating to Ireland's sustainable economic, social and environmental development. The members of the NESC are representatives of business and employers' organisations, trade unions, agricultural and farming organisations, community and voluntary organisations, and environmental organisations, as well as heads of government departments and independent experts. The composition of the NESC means that it plays an important and unique role in bringing different perspectives from civil society to the government. This helps the NESC to analyse the challenges facing Irish society and develop a shared understanding among its members of how to tackle these challenges. The NESC meetings are chaired by the secretary general of the Department of the Taoiseach. At each meeting, the NESC discusses reports drafted by the NESC secretariat. The NESC's work programme is decided on a three-year basis, by the NESC, with inputs from the Department of the Taoiseach.

Source: OECD (n.d.^[22]).

Box 2.14. Cabinet committees in Canada

Cabinet committees in Canada play a crucial role in reviewing and preparing materials for Cabinet meetings. They carry out most of the Cabinet's day-to-day work and review proposals in their field before submission to Cabinet. There are currently ten such committees, some of which are permanent and others which are related to government priorities or current events (Cabinet Committee on Government Agenda, Results and Communications; Treasury Board; Cabinet Committee on Operations; Cabinet Committee on the Economy and the Environment; Cabinet Committee on Reconciliation; Cabinet Committee on Health and Social Affairs; Cabinet Committee on International Affairs and Public Security; Cabinet Committee on Federal Response to Coronavirus [COVID-19]; Cabinet Sub-Committee on Litigation Management; Incident Response Group). They have their own membership and areas of responsibility, which are determined by the Prime Minister (with the exception

of the Treasury Board, whose terms of reference and membership are established by law). One of the committees' tasks is to consider policy proposals submitted to them, then circulate their recommendations to the Cabinet, which ratifies the recommendations.

The Cabinet Committee on Agenda, Results and Communications is responsible for dealing with major issues of national unity and the government's strategic agenda. It also monitors progress against the government's priorities, co-ordinates the implementation of the government's overall action plan and considers strategic communications.

Source: Prime Minister of Canada (2021^[48]).

The location of the councils leads to inconsistencies in their focus, especially on horizontal priorities assigned to line ministries

The location of the councils also has an influence on their activities and their integration into decision-making processes. Locating councils whose work is related to the Prime Minister's priorities in the CoG allows interministerial co-ordination and steering from the centre and benefits from its convening power. This also sends a signal to ministries regarding the importance of the issue for the government. However, CoGs also need to keep the focus on leading a limited number of councils that correspond to the government's priorities. Differences in where the councils are located lead to inconsistencies in their focus and importance. The Committee for EU Affairs' position in the OG helps its steering and co-ordination role on EU affairs across the government and ensures it has the required convening power and capacity. However, when councils located in a line ministry are tasked with horizontal priorities, steering, co-ordinating and implementation strategies can be challenging, with a lack of convening power or capacity from the ministry. An example of this is the Council for Sustainable Development: according to stakeholders met with during the fact-finding mission, this council's influence has gradually diminished since 2018 when it was moved from the OG to the Ministry of the Environment. Its convening power has decreased as it is no longer located in the centre, and is further away from the Prime Minister and the Cabinet. Its role in strategic planning is also weaker, as the strategy for and topic of sustainable development is mostly seen from a green lens while the Czech Republic's key strategic document, Czech Republic 2030, focuses on the country's sustainable development as a broad, far-reaching concept. It also undermines the climate change priority and the need for the Czech Republic to decarbonise the economy by not putting it on top of the government agenda and under the supervision of the OG.

Councils that are not located under line ministries must be strongly integrated into decision-making processes through regular exchanges and participation of the OG, such as advisors to the Prime Minister, to ensure political support and alignment with the government's priorities.

There is no standard for the frequency of meetings and levels of attendance

The frequency of meetings and levels of attendance vary considerably across councils. For example, the Committee for EU Affairs meets every week at the working level and once a month at the Cabinet level, while the Council for Public Administration only has five meetings per year. Other councils report fewer meetings. This has an impact on the councils' influence and activities, and their capacity to align on documents, comment on others and take decisions.

Some OECD countries are working on defining clear rules related to the number of meetings and annual attendance to streamline and harmonise the councils' activities. There are no such rules in the Czech Republic. France cancels committees that have not met over the past two years and has established strict rules under which a new committee can only be established if another one is dissolved.

Most councils lack the necessary capacities to fulfil their mandate on strategy and policy development

Most councils are tasked with developing, co-ordinating and monitoring the implementation of strategies in their respective fields by the Prime Minister through decree. Draft strategies are very often prepared by the ministry chairing the council, and in some instances collaboratively by members of the council.

The resources available vary considerably across councils. Most councils do not have the capacity to develop strategies or key policy documents by themselves due to a small secretariat and support staff. Their role in designing policies and strategies is unclear and seems to vary considerably across councils, with most lacking capacity or expertise. Guidelines on policy and strategy development could further support the councils' activities in that regard. For example, while the Committee for EU Affairs is composed of approximately 40 staff, the Government Council for National Minorities in the OG or the Council for Public Administration have few staff members in their secretariat. A mapping of councils' current resources and practices would allow comparing and revising their resources according to their work programme.

Most councils have working groups that can support their work at a technical level on sub-topics or on specific strategies. These working groups usually support the development, co-ordination and monitoring of strategies, and evaluate documents to be approved by the council. Working groups are set up to deal with current tasks within the remit of committees or specific issues within the competence of the council. It was often reported to the OECD during interviews that these outputs, particularly the monitoring and evaluation activities, rarely led to corrective actions or updates to the plan, making them rather formal exercises.

The high number of councils and their permanent nature mean that an important amount of human and financial resources are mobilised to co-ordinate on all topics covered. The absence of general monitoring of their activities contributes to the variety of practices as well as uncertainties regarding the efficiency of some of the councils and their relevance over time in light of their recent achievements and the importance of the topic they cover on the government's agenda.

The Government Council for Public Administration lacks effectiveness in steering public administration reforms

The council's mandate is clearly established and includes several working groups, including one focused on public administration reform

The Government Council for Public Administration, chaired by the Minister of the Interior, was established by Government Resolution No. 680 of 27 August 2014 and its activities are regulated by its statute. The Department for Strategic Development and Coordination of Public Administration of the Ministry of the Interior serves as its secretariat. The council's composition brings together central, regional and local governments. It consists of the president of the council, who is always the minister of the interior, and the executive vice-president of the council, the deputy minister of the interior, whose section includes public administration issues. The council also comprises a representative from the MORD, the Ministry of Justice, the Ministry of Finance, the Ministry of Labour and Social Affairs, the Ministry of Industry and Trade, at least at the level of deputy ministers, as well as a representative from the OG; the Office for Personal Data Protection; a unit from the Ministry of the Interior, which is the guarantor of the state service; the Union of Towns and Municipalities of the Czech Republic; the Association of Local Governments of the Czech Republic; the Association for Rural Renewal of the Czech Republic; the Association of Secretaries of Municipal Authorities of the Czech Republic; and the Association of Regions of the Czech Republic.

In its activities, the council provides the government with information and knowledge to support decision-making on the development, organisation and competence of the public administration to better integrate and co-ordinate departmental and national projects, processes and methods in the field of public

administration. The council is notably in charge of monitoring the implementation of the PAR Strategy 2030 and supporting the joint model of public administration. It issues an annual report on the fulfilment of the strategy and its action plan. Evaluation reports are prepared every two years on the previous public administration reform strategy. These documents are publicly available and precisely monitor the different objectives and tasks implemented (Government of the Czech Republic, 2021^[49]).

The Government Council for Public Administration lacks decision-making and steering power on public administration reforms and design

By law, the Government Council for Public Administration is responsible for crucial agendas like the joint model of public administration and the PAR 2030. It should steer, support and monitor public reform initiatives and actions across the government and help align public administration reform plans and measures.

However, the council does not use its full potential in practice, resulting in a lack of decision-making and steering power on public administration reform and design. By mandate, it can also make proposals to the government for decision, but in practice it does not act in this capacity. The council monitors the implementation of the PAR 2030 through a dedicated working group but exerts limited influence on its members to actively support and implement the agenda and also has limited influence on the reform priorities of the OG, despite the importance of governance and public administration reforms to meet the goals of the government programme. The Permanent Advisory Council for State Modernization in Chile is a successful example of a similar council (Box 2.15).

Box 2.15. Chile: The Permanent Advisory Council for State Modernization

The Permanent Advisory Council for State Modernization was created by supreme decree and is administratively dependent on the Ministry General Secretariat of the Presidency. This body includes 12 councillors and a president, all appointed by the president of Chile and with recognised experience in public and/or private management. The councillors are representatives from the government, municipalities, academia, civil society organisations, think tanks and the private sector. The council also has an executive secretary serving as a permanent contact between the council and the State Modernisation Secretariat. The council advises the president of Chile in the analysis and evaluation of policies, plans and programmes related to the state modernisation reform. Acting as an advisory body, this council provides a long-term vision and contributes to a sense of urgency and continuity to the modernisation process. The advisory body also functions as a co-ordinating body that aligns other government advisory entities whose objectives are directly related to state modernisation and public management.

Source: Government of Chile (2022^[50]).

While a number of measures on public administration reform are included in the Policy Statement of the Government, the council has a limited role in driving and implementing those priorities in the administration, underlining a potential lack of political will. The council should use its capacity to propose decisions to the government and to the government meetings on key measures and objectives on public administration reform in general and on the PAR in particular, for instance through short policy notes. A stronger link could be established with the OG to make the council's topic and strategies a priority for the government, through a dedicated adviser in the OG and its active participation in the council. Alternatively, the council's leadership could also be at the level of the Prime Minister to ensure the highest level of endorsement and visibility. France has an Interministerial Committee on Public Transformation chaired by the Prime Minister, thus providing steering and guidance to the whole public administration. The committee is complemented

by a strategic committee with directors from the public administration and by an operational committee (French Ministry of Public Transformation and Civil Service, 2019^[51]). In addition, there is no budget allocated for implementing the PAR. Thus, each ministry has to implement it relying on existing resources and capacities, which hampers the implementation of the overall plan.

Little action is taken based on the council's monitoring report. A number of priorities or adjustments based on the results could be highlighted and submitted to the government Rules of Procedure to increase the visibility of the topics. Interdepartmental comment procedures have been used to submit strategies and materials to the Cabinet's attention and to resolve interministerial conflicts over policy issues. However, the key priorities could also be addressed, and disputes could also be solved through the Government Council for Public Administration.

Public administration reform strategy

The Czech Republic has a well-established tradition and methods for designing whole-of-government public administration reform plans. The Czech public administration reform strategy (PAR), the Client-oriented Public Administration 2030 ("KOVES"), follows the Strategic Framework for the Development of Public Administration 2014-2020.

The PAR is the main long-term reference document for administrative reform

The PAR defines clear priorities for reforming and modernising the public administration

The overarching vision of the PAR is to support a citizen-oriented public administration to increase the quality of life of its citizens (Government of the Czech Republic, 2020^[30]). Achieving the vision is conditional on the fulfilment of five strategic objectives:

1. focusing on increasing the quality and availability of services
2. establishing an efficient public administration
3. improving the functioning of the public administration system and individual institutions
4. increasing the competence of human resources
5. improving information and facilitating citizen participation.

Key topics of the PAR are, for example, drafting a new Competency Law, changing the structure of the exercise of delegated powers, creating an innovative system in public administration, and strengthening analytical capacities and decision-making based on facts and their critical evaluation (evidence-informed) (Government of the Czech Republic, 2020^[30]). The development of a new Competency Law was supposed to be a part of the First Action Plan of the PAR, but was postponed to the Second Action Plan (2024-26), showing the challenging political feasibility and sensitivity of the matter.

The PAR echoes a number of long-standing priorities for reform in the Czech Republic that have been widely recognised by different documents and interlocutors, though only few refer explicitly to the PAR, for instance on the need to update the Competency Law to revisit the different mandates and functions in the public administration, multi-level governance, and the different status of the civil service. It also embraces some of the current global challenges and priorities for government, particularly on digitalisation. The PAR's priorities align with other OECD countries' public administration reform strategies.

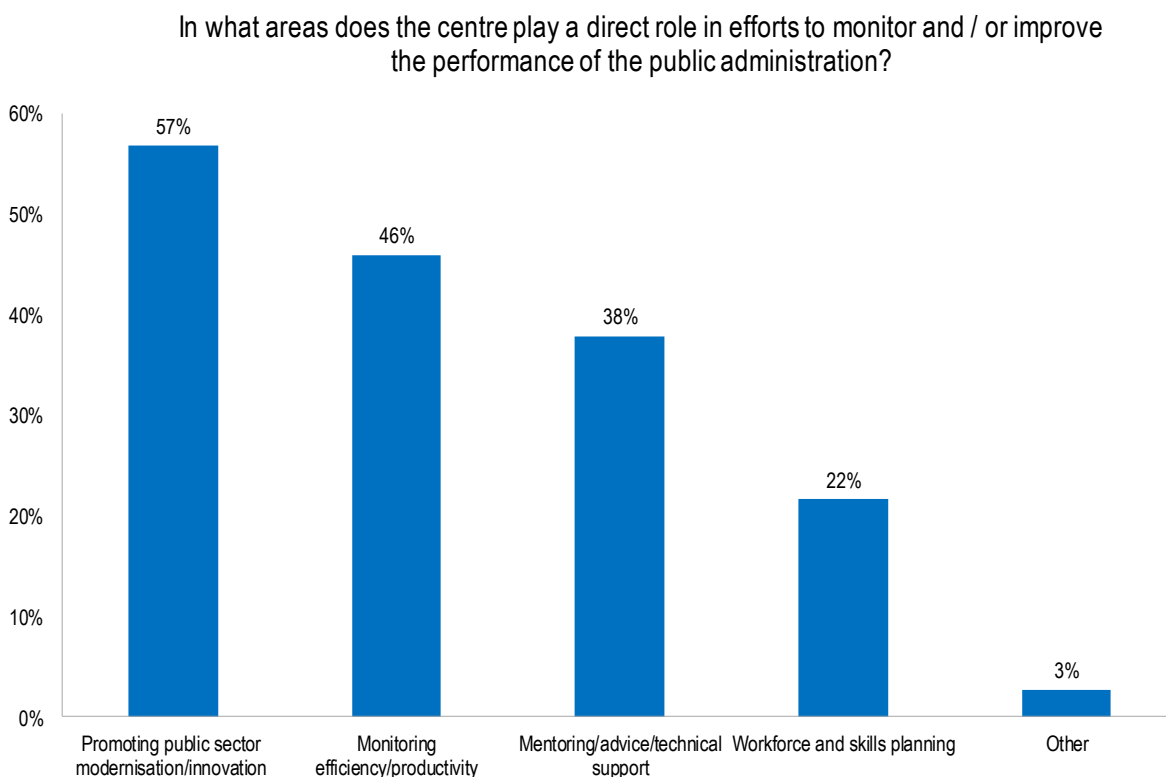
The PAR was approved by Resolution No. 562 of 25 May 2020 and is implemented in co-operation with other ministries that will implement their activities within it. The specific implementation method is determined by action plans, the first two of which will be for three years (Government of the Czech Republic, 2020^[30]). The first action plan covers the period 2021-23 and includes goals that reflect the strategic objectives of the PAR and specific activities to reach them with indicators and leading entities

(Government of the Czech Republic, 2021^[49]). The document has not been revised during the COVID-19 pandemic and its aftermath.

The PAR is managed by the Ministry of the Interior and discussed in a specific working group of the Council for Public Administration

In OECD countries, the CoG plays a direct role in efforts to monitor and/or improve the performance of the public administration. While public administration reform may not be one of the centre's main responsibilities, three-quarters (75%) of respondents to the OECD survey reported being involved to some extent in designing and implementing reforms. More than half (56%) also claimed a role in promoting modernisation or innovation (Figure 2.5). The Ministry of the Interior chairs the Council for Public Administration and leads one of its working groups. The working group is the forum for discussions on the PAR and for monitoring the strategy that is then discussed by the council.

Figure 2.5. The centre of government's role in monitoring and/or improving the performance of the public administration



Source: OECD (2018^[10]).

In the Czech Republic, the Ministry of the Interior has broad-ranging responsibilities in public administration and civil service management. It prepares and steers public administration reform, is responsible for the majority of the PAR strategy, as well as for co-ordination with other line ministries and other concerned bodies, for example through a joint steering committee or other forms of consultation or monitoring. This potential particularly in decision-making is only partly used and calls for more political steering and instruments.

The PAR is not directly linked to the Policy Statement of the Government and there is a lack of steering of the strategy

The Policy Statement of the Government does not refer to the PAR and only covers several of its priorities in a limited manner

The Policy Statement of the Government covers several public administration reforms, but does not explicitly refer to the PAR (Government of the Czech Republic, 2020_[30]). Despite covering several of the PAR's priorities, it does so only in a limited way. The Policy Statement of the Government covers measures on stabilising public finances, digitalisation, science and research, modernising government, environment, and the responsibility to voters and political culture.

Discrepancies in approaches, if not in priorities, can also be observed. The Policy Statement of the Government focuses on the systematisation of the administration, which is downsizing the administration; the PAR mainly focuses on increasing the effectiveness of the administration and of its internal governance, for instance including actions to reinforce co-ordination mechanisms in the public administration, increasing co-operation across levels of government and improving the implementation of strategies (Government of the Czech Republic, 2021_[49]; 2020_[30]).

A general lack of political momentum for the PAR compared to the Policy Statement of the Government is pervading the public administration

The PAR is important for creating conditions for growing prosperity in the Czech Republic and further increasing the quality of life of its population. The PAR can increase the effectiveness of public institutions, improve the quality of strategies and policies and their fulfilment, deliver better services to citizens, increase the transparency and integrity of the administration, and enhance relations between citizens and the public administration, and ultimately, their trust in the government. The administration's continuous service delivery during the COVID-19 pandemic, along with its challenges, is testimony to the importance of an efficient, transparent and modern public administration and the need to improve them further.

Decision-makers in the Czech Republic lack interest in carrying out a significant public administration reform as reforming the public administration is not considered a politically attractive topic apart from streamlining the administration. On the other hand, the Policy Statement of the Government has more political momentum because of the political relevance of its content and the fact that it is the road map of the current government while the PAR was developed under the previous government. This might require adaptations in the PAR and its action plans to better take into account the PAR's current priorities.

Bringing more visibility to the PAR in the CoG can also help build political momentum. In two-thirds of OECD countries, the CoG plays a direct role in monitoring and improving the performance of the public administration, which is not the case in the Czech Republic. While keeping the central role played by the Ministry of the Interior, more connection with the OG on the topic could result in higher political commitment and interest in reforms. This can also build on the vibrant call for PAR from non-governmental organisations and civil society that can help raise political attention and support (Czech Priority, The Aspen Institute et al., 2021_[52]).

The Council for Public Administration regularly carries out monitoring but there is a lack of delivery and monitoring for actions included in the PAR

The Ministry of the Interior has developed a monitoring mechanism and a working group to regularly monitor the PAR. The department responsible for a specific target can upload on this monitoring platform what is being implemented correctly and what is not. If there is strong disagreement, it is to be resolved on the platform.

The Ministry of the Interior publishes regular monitoring reports on the implementation of the PAR and its different action plans. The first action plan includes a series of measures that can support effective monitoring, even though most of the measures call for a qualitative measurement rather than a quantitative one and the logic is based on outputs rather than outcomes. The action plan foresees the establishment of strategic teams, methodologies and platforms; the creation of analytical capabilities in the government; and an analysis of the current competencies held by the different central government departments (Government of the Czech Republic, 2021^[49]). Detailed evaluation reports were also prepared for the previous public administration reform strategy every two years and are currently publicly available, with the list of objectives and actions completed and a detailed description.

Line ministries deliver public services included in the PAR in their respective area (education, health, etc.). Each ministry produces its own set of indicators on public services and there is no centralised monitoring unit or instrument to monitor progress. The government does not sufficiently monitor implementation, as the role of the Ministry of the Interior is limited to broad co-ordination based on the PAR and to gathering selected, general indicators on public service delivery (for instance, on digital or overall satisfaction).

The Ministry of the Interior, with the support of the Czech Point project, undertook important efforts to monitor and evaluate the performance of the administration and of public services. Key data on indicators of satisfaction, use and relevance of the Citizen's Portal; on the interactions and transparency of the administration; and on its instruments and capabilities were collected and analysed from 2018 to 2020. For example, it monitored citizens' satisfaction with services and the availability of government services on a Citizen's Portal that included 230 services in 2020 and less than 100 in 2018. Their use has been increasing sharply (Ministry of Interior; EU, 2020^[53]). The data also looked at the use of RIA by strategic planning units or the openness of the government in leveraging national and international indicators such as the Sustainable Governance Indicators. These efforts should be pursued and systematised to ensure continuous monitoring of performance and identify priority areas for action.

More specifically on services, several OECD countries have developed specific instruments to monitor public service delivery across the administration and ensure that they improve in line with public administration reforms and broader government priorities. France has developed two barometers, a barometer for government measures and results and a barometer for public services, called the Barometer Delouvrier, to monitor the performance of public services delivered by ministries and agencies (Box 2.16). The Czech Republic has tried establishing quality-of-life indicators, but encountered many methodological problems and the indicators have not yet been used. Simpler indicators that assess government results on concrete measures across the country (e.g. on the opening of classes or the number of small and medium-sized enterprises that receive digital support from the governments) or that measure citizens' satisfaction with services and the barriers they face, such as those used in the French barometers, could be used.

Box 2.16. French barometers of public action results and public services

The French minister of transformation and public service launched the barometer of public action results, *Baromètre des résultats de l'action publique*, on 13 January 2021: “Measures that change your life: The results of our action”. Responsible for co-ordinating the monitoring of all priority government reforms, the Interministerial Directorate for Public Transformation (DITP) was fully mobilised to design and deploy the barometer of public action results. The objective was to enable French citizens to measure and be aware of the progress of these public policies in their daily lives.

The barometer displays the status and the concrete results of 25 priority reforms carried out by the government. These cover eight essential dimensions of everyday life for citizens:

1. ecological transition
2. employment and the economy
3. health, family and disability
4. education
5. security
6. culture
7. public services
8. housing.

With quantified data, the barometer presents the state of implementation in 2020 and the government's target for 2022 for each policy. All data are open data. The barometer will be updated regularly and enriched with new policies, so that French citizens can measure the progress of government action. It is also a real tool for accelerating the execution of reforms at the national, regional and departmental level.

The DITP will intervene over time to steer the reporting of data from the departments, in co-operation with those responsible for each priority reform in the ministries. The barometer will be updated every three months. The DITP also supports the implementation of improvement measures by line ministries to further enhance service delivery across the administration.

France is also carrying out a regular barometer (survey) of citizens, called the *Baromètre Delouvrier*, on their satisfaction with key life events, the obstacles they face and the improvement priority they perceive for public services. The barometer is implemented by an independent institute and a survey company and is supervised by the DITP.

Sources: French Ministry of Transformation and Civil Service (2021^[54]; 2022^[55]).

Nevertheless, there is a lack of active follow-up and remediation on actions that are being implemented or slowed down. This is partly due to the lack of decisions and actions taken by the Council for Public Administration to further encourage the implementation or adjustment of actions across the public administration. The Ministry of the Interior also has limited convening power, mandate and capacity to support the delivery of actions by other administrations. Some of the actions appear to go beyond the realm of the Ministry of the Interior and would need whole-of-government decision-making and steering, for instance on reinforcing strategic and analytical capabilities or mapping the competencies of the different administrations.

There is no clear role for or support of public administration reform from the Office of the Government to bring governing power and steer, support and monitor implementation

The PAR action plan assigns specific tasks to the OG, namely: consistent processing and control of RIA, the introduction of *ex post* evaluation of regulations, methodological support of RIA. In co-operation with other ministries, the OG is also co-responsible for the sustainable development assessment and unification of project management competences in state administrations and cataloguing projects.

Nevertheless, the OG's role and support for the PAR are unclear beyond regulatory policy on steering, supporting and monitoring its implementation. In OECD countries such as the United Kingdom, the CoG would be tasked with defining and steering the implementation of the PAR's activities and measures to be carried out by departments and agencies. These measures would need to be aligned with the National Reform Programme (Government of the Czech Republic, 2022^[56]) concerning the modernisation of the public administration and public service, and specific outputs to be produced and discussed with the CoG. The CoG can be a lynchpin of this effort, by helping to ensure the coherence of public policies and guaranteeing the continuity of action around major strategic objectives, between sectoral policies, between levels of intervention, between territories, and between public and private actors. It can also provide guidance on strategic documents, including on the methodologies, templates and indicators to be used.

There also seems to be limited citizen engagement mechanisms in the implementation and monitoring of the PAR, whether they are surveys and consultation, frequent feedback loops, or co-design workshops on some actions, for instance linked to new digital or in-person ways to deliver public services (see Chapter 1).

Recommendations

Strategy: Increase the centre of government's capacity and instruments to steer, align and implement strategies

Strengthen the Office of the Government's strategic co-ordination and analytical capacities through dedicated central units on strategy and supporting analytical capacities

- Re-establish and strengthen the OG's capacity to steer and co-ordinate whole-of-government strategic planning by creating a permanent strategic unit tasked with steering the whole-of-government strategic planning process, supporting the implementation of government priorities, co-ordinating the preparations of key national strategies, aligning national and sectoral strategies, providing analytical inputs to strategies on government priorities; co-ordinating the work of strategic units in line ministries (and supporting their creation when they do not exist); and progressively developing and leading whole-of government foresight activities.
- Establish a central unit to support analytical capacities across the government and consider building similar capacity in line ministries, where they do not already exist; the VAU in the area of RIAs could serve as a basis for this development and be expanded to policy analysis.
- Leverage existing formal co-ordination mechanisms and establish new ones between the OG and ministries that developed national, cross-cutting strategies to ensure consistency, using the Expert Group on Strategy or creating strategy review meetings with line ministries.

Decrease the number of strategies and consolidate the strategy development process

- Mandate the newly established strategic unit with the technical support of the MORD to take stock of existing national and sectoral strategies to identify overlapping strategies of ministries operating in the same sector, and convene actors to eliminate contradictions and address

potential gaps. This audit could be relevant in the context of a new EU financing programme that will require developing new strategies and completing existing ones.

- Task the new strategic unit with the role of consistently ensuring the coherence and alignment of strategies, including regular review of key national and sectoral strategies to ensure that they are coherent with the main national long-term strategic framework Czech Republic 2030.
- Consolidate the role of the MORD on the management of the registry, quality and methodological aspects of strategies and further promote and lead from the centre the dissemination of the methodological guidance on strategies to ensure they are used by all ministries and for all strategies (including on the use of evidence; see Chapter 3).
- Reinforce the institutional framework and mechanisms for stakeholder engagement, including in the guidelines, by ensuring stakeholder and citizen engagement activities are carried out systematically; also consider using innovative mechanisms to identify new priorities and policy measures (see Chapter 1).

Systematically link policy planning with financial planning

- Systematise discussions on the costing of strategies and their measures between line ministries authoring the strategy (both budget and policy departments), the Ministry of Finance (including the budget and the upcoming spending review unit) and the OG when preparing and developing the strategy besides the commenting procedure to foster dialogue on the priorities, costing and cost effectiveness of measures; this could take the form of joint meetings and concept documents for strategies.
- Consider increasing the connection between high-level prioritisation and the budget, for instance by outlining expenditures linked to government priorities in the budget process through discussions between the CoG and the Ministry of Finance and possibly a specific document (“table of reforms” as in Sweden), and developing the practice of spending reviews to align expenditures with strategic priorities.

Adapt the Office of the Government’s role and structure to ensure better delivery of identified government priorities and horizontal challenges

- Focus the work of the Prime Minister’s Office on a limited number of whole-of-government priorities identified under the leadership of the Prime minister. The Prime Minister’s Office’s work should be focused on steering and supporting through dedicated resources, performance management structures and routines to drive their implementation, for instance with regular strategy sessions with lead ministries to track progress.
- When needed to support the delivery of these priorities, review the structure of units in the OG to ensure that they are focusing on selected, horizontal priorities; as was done with the Deputy Prime Minister for Digitalisation and associated resources in the OG.
- Consider establishing a single operational document (an “action plan”) deriving from the Policy Statement of the Government that would translate the government’s priorities into actions with associated key performance indicators, and help monitor their implementation, combining and replacing the annual and legislative work plans. Based on this document, consider establishing a road map for each ministry on measures to be implemented in line with government priorities.

Further enshrine the role of the OG on steering and co-ordinating strategic planning activities in the Competency Law

- Support the PAR's plans to amend the Competency Law throughout its implementation, and take this opportunity to better enshrine, assert and define the role of the OG in strategic planning and co-ordination activities as well as that of the MORD.
- Consider clarifying and revising mandates and responsibilities in several areas, including on new topics such as digitalisation and citizen participation.

Co-ordination: Develop the co-ordination role in the Office of the Government

Increase policy co-ordination and the monitoring role of the Office of the Government

- Ensure that the OG has a challenge and review role of the consistency with the Policy Statement of the Government and the government priorities of the documents submitted to the interagency commenting procedures and to the government meeting. It should also have the authority to return items, mirroring the OG's review role on legal conformity.
- Enable and encourage mobility assignments of staff from ministries in CoG institutions to work on specific priorities, foster learning and exchange of information, promoting co-ordination and occasionally meeting short-term labour demands.
- Establish institutional responsibility for monitoring and evaluation in the OG by setting up a monitoring unit or tasking an existing unit with the monitoring and evaluation of the implementation of the Policy Statement of the Government.

Councils: Streamline and empower the government councils

Map the councils and streamline their mandate with clear roles and deliverables

- Conduct an assessment of the use and effectiveness of existing councils and advisory and working groups by undertaking a mapping exercise which includes their composition, mandate, objectives and costs, and consulting all relevant stakeholders – such as council and working group members, experts, public officials and civil society representatives – throughout the process; periodically conduct such a review of the activities of selected councils on a rotating basis to ensure their functioning is effective and they respond to current priorities.
- Further define outcomes and deliverables expected by councils and update their mandate accordingly; identify which councils or bodies do not meet at least once a year or do not produce outcomes and consider abolishing them and merging those that overlap.
- Re-establish the steering and co-ordination of councils on horizontal themes and priorities under the Office of the Government; consider relocating some councils on horizontal priorities for the government under the OG, particularly the Council for Sustainable Development; and establish the appropriate structures and resources to steer, support and monitor the corresponding agenda.
- Consider moving councils that are not priorities on the government agenda or not cross-cutting under the stewardship of line ministries, to help focus the OG on a few priorities.

Better integrate councils into decision-making processes

- Appoint a representative/focal point in the OG for each council and body that concerns a government priority to ensure buy-in and support from the centre when needed and raise to

the attention of the CoG and potentially the Prime Minister key points for decisions produced by the body.

- Ensure that the participants of the different councils have the relevant voting rights and delegations in the absence of ministers to increase buy-in and ownership, for instance by simplifying the process or extending voting rights to any appointed participant.

Council for Public Administration and the PAR: Increase the steering capacity to drive the implementation of the PAR

Strengthen the role of the Council for Public Administration to steer the PAR

- Enforce the mandate of the council to steer and support actions on public administration reforms and initiatives across the administration, and exert decision-making powers on activities that are within its realm; including by setting a decision-oriented agenda and organising regular reporting from the chair of the council to the Prime Minister for decision-making.
- Prepare an annual meeting of the council chaired by the Prime Minister to provide guidance and decisions, underline priorities, and endorse key actions on public administration reforms and the work of the council.

Better connect the PAR and the Policy Statement of the Government

- Appoint a high-level representative/focal point in the OG to follow and support public administration reforms and the council's work, and organise regular discussions with the Ministry of the Interior on the links between the PAR and the Policy Statement of the Government; update the PAR's action plans accordingly (e.g. on the VAU).
- Consider preparing reports on the public administration reform strategy and needs prior to elections and the preparations of the Policy Statement of the Government for candidates to increase awareness and information on the state and developments in light of the example of long-term insights briefings in New Zealand (see Box 3.2); this practice could be generalised to other parts of the administration.

Support the strategy's implementation and ensure better ownership and steering

- Report on the implementation of the PAR to the OG, selecting key measures for decision and information, and preparing an executive dashboard to be introduced to the Prime Minister.
- Develop the Ministry of the Interior's capacity (e.g. task force) and provide it with the mandate to support line ministries and other agencies in implementing specific provisions of the PAR.
- Assign a budget for implementing the PAR that can be used by the Ministry of the Interior and line ministries on specific objectives and measures.

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Note

¹ “Tasks connected with the professional, organizational and technical security of the activities of the government of the Czech Republic, its bodies, members of the government who are not entrusted with the management of the ministry or another office, and bodies which are provided for in a special law or so decided by the Government, are performed by the Office of the Government of the Czech Republic.”

3

Evidence-informed Decision-making in the Czech Administration

Taking decisions informed by evidence can help governments to achieve higher living standards for its citizens. The chapter critically examines the current conditions of evidence-informed decision-making in the Czech Republic. It highlights that the demand for evidence-informed decision-making ultimately originates at the political level. Stakeholders play a crucial role in both providing evidence to improve decision-making, as well as scrutinising evidence used as a means to improve government accountability. The ability to gather evidence is determined by data availability and accessibility. Using evidence to inform decision-making depends on the analytical capacities within the civil service, as well as appropriate institutional arrangements. The chapter provides specific recommendations based on international experiences to lead to an improved decision-making environment in the Czech Republic.

Introduction

Evidence-informed decision-making (EIDM) is a process whereby multiple sources of information, including statistics, data and the best available research, evidence and evaluations, are consulted before taking a decision to plan, implement, and (where relevant) alter public policies and programmes (OECD, 2020^[1]). The goal of EIDM is to enable better public policy decisions, which, among other things, reduces the risk of regulatory failures and promotes dialogue and contestability with regulated entities. Using EIDM can help achieve broad societal goals, such as increasing trust in government and decision-making, promoting sustainable development, and improving well-being. It also strengthens and improves public finances, as EIDM helps to allocate scarce public resources to value-for-money activities, and can assist in prioritising public expenditures and worthwhile reforms.

EIDM is particularly useful to inform the policymaking process, for instance, to enable an assessment of the likely impacts of regulatory proposals. Its usefulness stems from its protean nature: “When my information changes, I alter my conclusions. What do you do, sir?” (Crowley, 1986^[2]). An alternative way of considering Keynes’ retort is that an absence of information results in the maintenance of the status quo. Moreover, the situation remains unchanged until new information is forthcoming. As such, information ought to be the driving force for improved decision-making throughout public administrations.

The “market” for evidence is characterised by both demand and supply factors. Political leadership is essential to ensuring policymakers understand how evidence will be used in shaping decisions. Not only do decision-makers have a greater appreciation for the policy choices put forward, but EIDM can help improve the communication on and implementation of policies. Political leadership is also intrinsically linked with the supply of evidence. For instance, obtaining information and evidence is not a costless exercise, and scarce public resources should be allocated to their highest value use. If the demand for evidence is sufficient, then civil servants need appropriate skills, training and resources to carry out EIDM.

Overcoming information and data availability issues is important to attain EIDM. Yet, we live in the information age with more data than ever before. The advent of new technologies has meant that some actions can now be monitored for the first time, and others can now be either better monitored or be done so at lower costs. What matters, though, is the *quality* of the data. Additional supply elements are the extent to which data are provided openly to the public and the extent to which data systems are designed with interoperability in mind.

The information generated is dependent on the civil service's organisational capacities. At a corporate level, this means having the necessary architecture to support civil servants to use evidence for policymaking. The extent to which EIDM becomes a reality is, in part, determined by the skills of the civil servants themselves. Their skills include those they have when joining the civil service as well as those that they accrue through training and development programmes.

EIDM is unlikely to be held in high regard by senior civil servants tasked with carrying out decision-makers’ wishes if political demand is lacking. Additionally, civil servants may be reluctant to provide information to decision-makers if they think it will merely justify a decision already taken rather than helping to form the basis for decision-making. Overcoming inertia is crucial for EIDM to take hold in the civil service.

Additional demand for EIDM comes from stakeholders, including businesses, citizens, academia and non-governmental organisations (NGOs). These entities are, of course, an important source of evidence in their own right. Additionally, they can provide an important quality assurance role of the evidence supplied to decision-makers based on their own learnt experiences.

Next comes the demonstrative actions of political will in the form of institutions. These actors play a critical role in both setting and enforcing standards for policymakers to undertake EIDM. Then there are players outside of the government sphere. Not only do stakeholders have a wealth of information, but they can

also hold governments to account through participatory democracy. It is through this that they can perpetuate continued demand for high and improved evidence-informed decision-making standards.

Government activity partially underpins the demand for EIDM. For example, guidance materials, methodological documents and so on provide the foundations for civil servants to understand why EIDM is important, what it is and how it can be incorporated into their daily work. Having a framework for EIDM is indeed necessary, but is not sufficient. For EIDM to take hold, it needs to be implemented.

Regulatory management tools, including RIA and *ex post* assessment of regulations, play a strong complementary role to EIDM. RIA is a process of policymaking whereby the likely impacts and consequences of various regulatory and non-regulatory options are considered and evaluated to inform decision-making (OECD, 2018^[3]). RIAs help to substantiate decisions, not to intervene in markets where the costs are too high relative to the benefits, or to communicate the arguments when such intervention is found necessary. They ensure that the impact on a particular societal or interest group that might be marginalised or absent from the mainstream public debate is assessed (OECD, 2020^[4]).

Ex post assessments are systematic reviews of the stock of regulation against clearly defined policy goals, including consideration of the costs and benefits, to ensure that regulations remain up to date, cost-justified, effective and consistent, and deliver the intended policy objectives. *Ex post* assessments complete the “regulatory cycle” that begins with an *ex ante* assessment of proposals and proceeds to implementation and administration (OECD, 2018^[3]). Well-established practices and processes of *ex post* assessments can ensure the effectiveness, value-for-money, accountability and transparency of policymaking. Such reviews allow the government to identify the effects of existing legislation and can help to improve the design and administration of new regulations (OECD, 2020^[1]).

Fostering demand for evidence

Demand for EIDM is ultimately created by politicians. If there is a clear and demonstrated appetite for decisions to be informed by evidence, then resourcing (including training) and senior civil servant culture should follow. Of course, various stakeholders – businesses, citizens, academia, NGOs, etc. – also play a crucial role in demanding EIDM from a political accountability point of view. It should be noted that stakeholders are also a source of evidence based on their own learnt experiences and can help policymakers in their search for evidence, as well as in improving its quality. Institutions play a vital role in signalling that there is both political and senior official appetite to engage in EIDM. The existence of guidance material and manuals all help to establish the importance of EIDM and how it can be transmitted to civil servants on the ground.

Political support

Political support is crucial for EIDM to succeed. Without it, there will be little top-down signalling to civil servants, businesses and the broader public that EIDM is important and that all parties should work together to gather better data, engage with stakeholders and test ideas to take more informed decisions.

Governments decide either explicitly or implicitly on the resource allocation and priorities of the public administration through, for example, the budgetary process, ministerial statements, etc. The government sends an important signal to senior civil servants about where scarce public resources should be allocated. Governments, as the executive, are also responsible for the vast majority of laws that pass through national parliaments. However, it should be noted that the Czech Republic has recently been an exception in this regard (OECD, 2021^[5]). In instances where legislative agendas are heavy, and there are expectations that governments will act quickly, there can often be insufficient time for EIDM. An absence of EIDM increases the risk of regulatory failure, poorly designed and/or implemented laws, and in the end, can do more harm than good (OECD, 2018^[3]). In part, it is why the OECD has advocated for legislative plans to be drawn up,

but this does not imply that EIDM is inherently inflexible when genuine unforeseeable emergencies call for swift government action. Recent country examples highlighted a range of operational flexibilities in rule making during the height of the COVID-19 pandemic. Another commonality was that these rules tended to be subject to future repeal (i.e. sunset clauses) or had an in-built review requirement because of the general lack of EIDM (OECD, 2021^[5]).

In its Policy Statement of the Government, the current Czech government promised to “carefully consider every new regulation based on an analysis of the expected impacts” (Government of the Czech Republic, 2022^[6]). It also mentions that “for every new law, government decree or bylaw its functioning in practice will be evaluated at the latest 5 years after entering into force” (Government of the Czech Republic, 2022^[6]).

Since the creation of the current coalition government in 2021, political responsibility for regulatory reform in the Czech Republic resides with the minister for legislation and the chair of the Government Legislative Council. The functions performed have, however, remained unchanged and include:

- monitoring and reporting on the co-ordination of regulatory reform activities across portfolios
- reporting on the performance of the regulatory management system
- identifying opportunities for improvement to regulatory policy settings and regulatory management practices (OECD, 2021^[7]).

The Czech Republic currently has a number of high-level documents with EIDM aspects (see below). All of them have been endorsed by the government, which suggests that there is some level of political support for EIDM. At the same time, however, it is recognised that political commitment to EIDM remains fragile. The Client-oriented Public Administration 2030 sets that, in 2030, authorities should “generate innovative solutions and make responsible decisions based on data evidence.” While this is a positive development, it is clear that fundamental risks threaten its attainment, and indeed the Ministry of Interior has identified many. Moreover, the potential risks turned out to be real and valid barriers. Chief among them are political risk, government negotiations with the parliament and civil service inertia (Box 3.1).

Box 3.1. Selected risks in meeting the objectives of the Client-oriented Public Administration 2030

The Ministry of Interior identified 36 project risks to fulfilling the objective of the Client-oriented Public Administration 2030 (“the Concept”), classified as either very significant, moderate or low. The very significant risks identified are, in descending order of importance:

- political risk
- failure to enforce the necessary legislative changes when agreement cannot be found in the Chamber of Deputies and the Senate
- insufficient financial assurance of the implementation of the Concept and its action plans
- the emergence of low-quality outputs that are not applicable (in part or full) or have no added value
- the public administration’s resistance to change and the reluctance of government stakeholders to accept the proposed changes.

The risk register further highlights a series of moderate evidence-informed decision-making risks, including:

- the government’s non-compliance with the schedule of activities and measures in the action plan

- insufficient or insufficiently high-quality personnel to ensure the fulfilment of the objectives of the Concept and its action plans
- complex analysis processing where suitable methodologies may be difficult to identify, data may not be available and international comparisons may be fraught
- non-acceptance of outputs by interested parties, including within the department
- low-quality or insufficient management of the implementation of the Concept
- inappropriate procedure for achieving goals (e.g. important facts were omitted during the preparation, activities were chosen to fulfil the goals and measures that cannot contribute to the fulfilment of the goal or can only partially contribute, an appropriate methodology was not chosen for implementing activities, etc.).

Source: Ministry of the Interior of the Czech Republic (2019^[8]).

This chapter highlights several areas where political commitment could be strengthened to enhance EIDM in the Czech Republic. First, demand for EIDM by decision-makers and senior civil servants could be improved. EIDM is a tool to help explain why government intervention is necessary and demonstrate that such intervention is in the public's interest. EIDM can therefore help inform stakeholders and the broader public about proposed government action. It can also help to choose the most effective and efficient solutions for implementing the government's strategic goals. However, it is still generally the case that, when used, EIDM in the Czech Republic is largely to justify a decision that has already been taken rather than to help inform the decision-making process. Decision-makers' expectations that the civil service will deliver evidence are of critical importance to ensure that EIDM takes hold. Second, as a result, more investment in civil service capacities is needed to make EIDM a reality in the Czech Republic. It entails taking political decisions about where to allocate scarce public resources. However, in the absence of EIDM, decision-makers' expectations will largely go unmet, given the current level of investment. Third, decision-makers can demonstrate demand for EIDM by ensuring policy coherence and complete implementation and review. Additional improvements can be made to the policymaking processes. In particular, impact assessment, consulting with stakeholders, the composition and functions of the regulatory oversight body (which is responsible for checking the quality of prospective laws), and instituting a compulsory process of *ex post* regulatory reviews. Improvements in these areas would demonstrate strengthened political commitment towards EIDM.

Stakeholder engagement

Stakeholders play an essential role in demanding EIDM. Broadly, there are connections with notions of political accountability and the extent to which elected officials are held accountable by state or civil society organisations, including the media, for the quality of their decision-making (OECD, 2020^[11]). The extent to which there is a culture of inquiry and how this is developed through institutions such as higher education also determines the extent to which evidence is seen to be an important input to the policymaking process (Newman, Fisher and Shaxson, 2012^[9]).

Citizens can offer valuable inputs on the feasibility and practical implications of regulations (see Chapter 1). Meaningful stakeholder engagement can lead to higher compliance with regulations, in particular when stakeholders feel that their views have been taken into consideration (OECD, n.d.^[10]). From a regulatory policy perspective, this entails offering the public sufficient opportunity to help shape, challenge and reform the regulations they encounter in their daily lives (OECD, 2021^[5]).

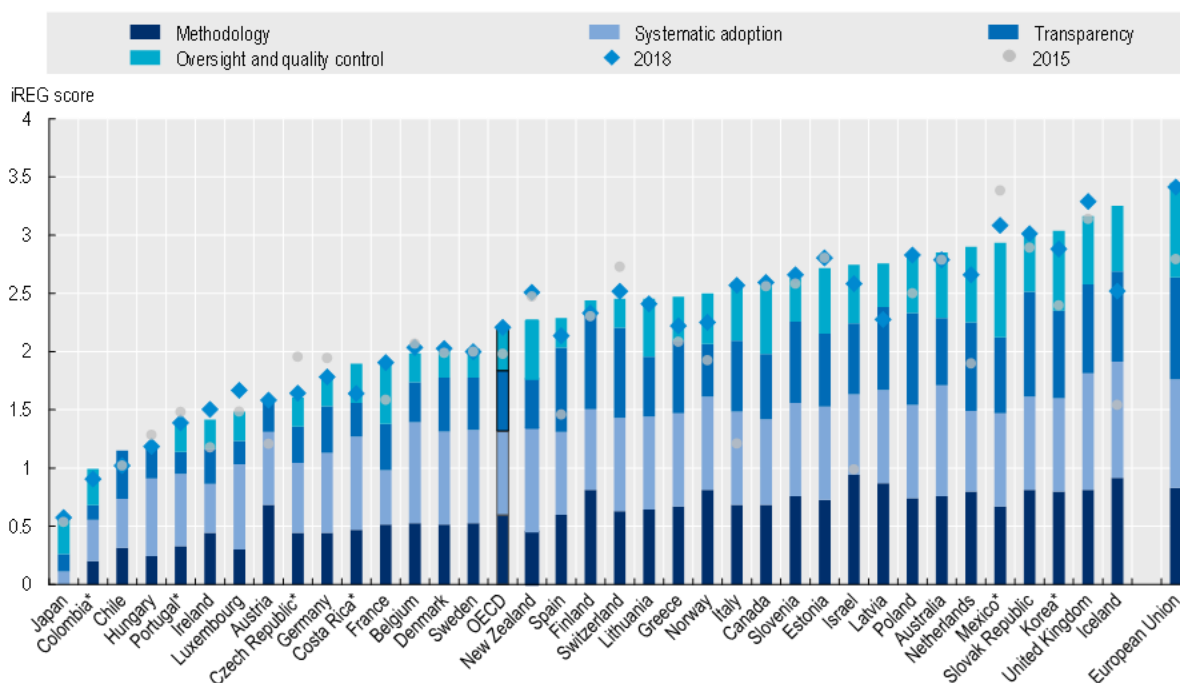
It should be noted that stakeholders have an influence on the supply of evidence. First, societal attitudes towards policymaking, and what and who should contribute to it, can impact the use of evidence in policymaking (Newman, Fisher and Shaxson, 2012^[9]). Second, stakeholders are a rich source of

information, both in terms of data and through their learnt experiences dealing with previous and/or current regulations. As they have the potential to affect both the demand and the supply of evidence, stakeholders can play a highly influential role in determining the extent of EIDM – assuming that policymakers allow such engagement to take place.

Generally, consultations should be available to all citizens (OECD, 2017^[11]). Beyond that, specifically determining *who* to consult effectively means deciding who should be excluded from the consultation process. There may be justified reasons for limiting consultations due to factors such as confidentiality, the subject nature of the proposal (e.g. if it is highly technical or if expertise lies only in limited areas) and for genuine matters of expediency (although this should not be used as a default excuse to avoid consulting) (OECD, 2021^[5]).

Core aspects of stakeholder engagement are either currently missing or underutilised in the Czech Republic. At a fundamental level, no general requirement exists that consultations must be open to the general public, contrary to more than half of OECD countries that have systematic requirements in place (Figure 3.1) (OECD, 2021^[7]).

Figure 3.1. OECD stakeholder engagement in developing primary laws, 2021



Notes: * In the majority of OECD countries, most primary laws are initiated by the executive, except for in Colombia, Costa Rica, the Czech Republic, Korea, Mexico and Portugal, where a higher share of primary laws are initiated by the legislature. Due to a change in the political system during the survey period affecting the processes for developing laws, composite indicators for the Republic of Türkiye are not available for stakeholder engagement in developing regulations and regulatory impact assessment for primary laws. Data for 2014 are based on the 34 countries that were OECD countries in 2014 and the European Union. Data for 2017 and 2021 include Colombia, Costa Rica, Latvia and Lithuania. As advocated in the 2012 Recommendation of the Council on Regulatory Policy and Governance, the more regulatory practices a country has implemented, the higher its iREG score. The indicator only covers practices in the executive. This figure, therefore, excludes the United States, where all primary laws are initiated by Congress. Source: OECD (2021^[5]).

Without some minimal degree of standardisation in stakeholder engagement, ministries have evolved divergent practices. For instance, some ministries systematically inform stakeholders in advance of forthcoming consultations while others do not. This not only can lead to divergent practices across

ministries, but also to divergences across units within ministries. Ultimately, policymakers therefore have significant discretion in whether, and to what extent, to seek input from stakeholders. While discretion allows for significant operational flexibility – recognising, for instance, that not all proposals necessarily need broad public consultation, that it will not be appropriate in some instances (e.g. matters relating to national security or other highly sensitive proposals) and that consultation fatigue among stakeholders does exist, so a degree of tailoring is appropriate – there does not currently exist any commensurate level of oversight in the decision taken.

One co-ordination issue is that ongoing consultations are available only via a ministry’s web pages and are currently not centralised. A centralised portal aim of which would be to ensure public consultations does not exist for the moment. The eKlep system enables public comments, and various ministries’ comments on regulatory proposals can be viewed. However, its interface is not user-friendly and due to the low awareness of this platform among the general public, external stakeholders very rarely submit comments. The system could be relatively easily used as a basis for an interactive consultation portal, which is becoming more commonplace across the OECD (OECD, 2021^[5]). Not only would this improve and better target engagement with stakeholders, it would also help to systematically ensure that all draft regulatory proposals were open to public consultation. In addition, it would improve the quality of engagement: stakeholders would be able to see and challenge the veracity of claims made by others. This process could help policymakers better estimate the likely impacts and thereby reduce the risks of regulatory failure.

It is important to allow for sufficient checks and balances within a consultation process. For instance, there is a risk that consulting the “usual suspects” leads to the “usual answers”. Policymakers can be assisted in identifying vested interests (and thereby reducing risks of regulatory capture) by consulting broadly, allowing other stakeholders to challenge positions put forth by the “usual suspects” (OECD, 2012^[12]). For this, it is necessary for administrative authorities to carefully map which groups of stakeholders might be affected by the policy or regulation and proactively reach out to them to engage them in the consultations rather than waiting for stakeholders to volunteer. The DataKO database is a voluntary list of organisations that can be contacted in the case of ongoing consultations in a matter related to their work/area of expertise. It could be used to help ministries identify potentially impacted stakeholders (Government of the Czech Republic, 2016^[13]). However, it should be noted that stakeholders registering on such platforms are more likely to be part of the “usual suspects”, so it is likely that complementary engagement will be required to ensure that all stakeholders have the opportunity to participate. The level of stakeholder engagement varies across ministries. For example, the OECD heard of strong engagement between the Ministry of the Environment and NGOs, but engagement was not so systematic with the business community.

Engagement refers to two-way communication between the government and stakeholders. One important aspect of engagement is the processes that governments have in place to illustrate how input received has helped to shape regulatory proposals or to note why particular suggestions were not taken on board. Guidance on conducting stakeholder engagement in the Czech Republic is available for civil servants.¹ However, in contrast to more than 60% of OECD countries, it does not require policymakers to consider consultation comments when making draft regulations (OECD, 2021^[7]). Such an approach can frustrate stakeholders, who are left in the dark about the extent to which their input has helped shape regulatory proposals. It reflects a wider absence of a consultation culture in the Czech administration, where there are essentially no consequences for failing to apply the policy development guidelines.

Deciding *when* to consult is a central facet of decision-making. There are generally four distinct stages of consultation: to inform the community in advance; at the early and late stages of policy development; and on the revision and modification of existing laws (OECD, 2012^[12]). The 2030 Strategic Framework for the Czech Republic recognises this: deliberations can take place at all phases of the policymaking process (Government of the Czech Republic, 2017^[14]). Establishing when to consult can be of critical importance to the design of the resultant policy: if consulted too early, stakeholders may not be able to help identify

potential solutions; if consulted too late, they may feel that consultation is an obligatory step for policymakers to progress their policies to the decision-making stage (OECD, 2021^[5]).

Like most OECD countries, stakeholders are not systematically informed in advance of forthcoming consultations in the Czech Republic (OECD, 2021^[5]). Once consultations have commenced, stakeholders are rarely called upon to provide input. The early stages of policy development are a critical juncture to gather information from stakeholders about the potential magnitude of identified policy problems and elicit potential solutions (OECD, 2021^[5]). It also presents an opportunity for ministries to learn more about potential areas or sectors that may be affected and that warrant in-depth impact analysis. Stakeholders are usually provided with either a general consultation document describing the problem and soliciting input on possible solutions (e.g. via a questionnaire) or some other sort of analytical document or study. It is interesting to note that despite the mandatory completion of the overview of impacts in the Czech RIA Guidelines (see below) (Government of the Czech Republic, 2016^[13]), no overview is ever issued for consultation (OECD, 2021^[7]). Stakeholders may be able to assist policymakers at this stage based on the overview to determine whether impacts are expected in specific areas that ought to then undergo more in-depth analysis, in conformity with the proportionality principle in the Czech Republic (Government of the Czech Republic, 2016^[13]).

As in most OECD countries, consultations most frequently occur in the Czech Republic once a draft regulation exists (OECD, 2021^[7]). However, consultations are most likely to occur with selected groups of stakeholders and do not necessarily invite comments (OECD, 2021^[7]). This reflects the overall nature of stakeholder engagement in the Czech Republic. While consultation at a later stage of policy development may be more focused, it is important to make sure that alternative views are given an adequate opportunity to comment, especially in instances where they were not involved at a more nascent stage (OECD, 2021^[5]). A broader range of consultation material is made available to stakeholders at a later stage of policy development and can include:

- a general consultation document describing the problem and suggested solutions
- the RIA or a summary of it
- the draft regulatory text
- other analytical documents or studies (OECD, 2021^[7]).

Even though RIAs may occasionally be consulted on, there is no formal requirement to do so in the Czech Republic (OECD, 2021^[7]). This again highlights the level of discretion individual policymakers have within the current system. Consulting on the RIA allows for various assumptions to be queried, for the impact assessments to be verified or contested by affected parties, and for alternatives to be put forward (OECD, 2020^[4]). In short, it improves the evidence base upon which more informed decisions can be taken.

Stakeholders should be involved in evaluating regulations (OECD, 2020^[15]). They can assist policymakers in assessing the actual regulatory impacts “on the ground”. They have a potential wealth of information about the actual impacts and how these may differ across affected parties. The information gleaned can help improve the policy over time to ensure it remains fit for purpose. After all, decision-making is dynamic, not static, reflected in the fact that all laws are experiments and sometimes do not work out as originally envisaged. Stakeholders can also assist policymakers by highlighting areas of the law that are not working as originally intended and can suggest improvements. Stakeholder engagement during *ex post* assessments also helps to maintain awareness and understanding of the rationale for the regulation. However, the public is not informed in advance of forthcoming *ex post* assessments and is only invited to be involved in some reviews (OECD, 2021^[7]).

One indicator under the measurement and evaluation of the Czech public administration (see below) relates to citizen satisfaction with the legal environment. It is important to seek the views of affected stakeholders about the legal environment, although a number of methodological issues arise when undertaking perception surveys, particularly those of citizens (OECD, 2012^[16]). The annual report data are

based on a sample survey conducted by the Public Opinion Research Centre, and the results are an average of those responses. It is not clear to what extent the surveyed citizens are asked questions about the legal environment or, for example, whether questions are asked on specific aspects (e.g. regulatory design, implementation, enforcement, etc.) and/or specific areas (e.g. environment, health, transport, etc.). Irrespective of the merits of the indicator used, no target is specified. All the annual report mentions is that an upwards trend is desired (Ministry of Interior of the Czech Republic, 2022^[17]). Assuming that the survey is relatively statistically robust, it would seem more appropriate to have a quantitative target set (e.g. a representative majority of citizens are satisfied with the legal environment). A superior alternative could still be to link more closely to digital government service satisfaction. For instance, embedding satisfaction surveys into digital services so that feedback can be received immediately afterwards and be disaggregated by service used. Such results could be used to highlight both problematic and successful areas, and to provide opportunities for the public administration to share knowledge to improve overall user experiences (OECD, 2020^[18]).

Supplying evidence for decision-making

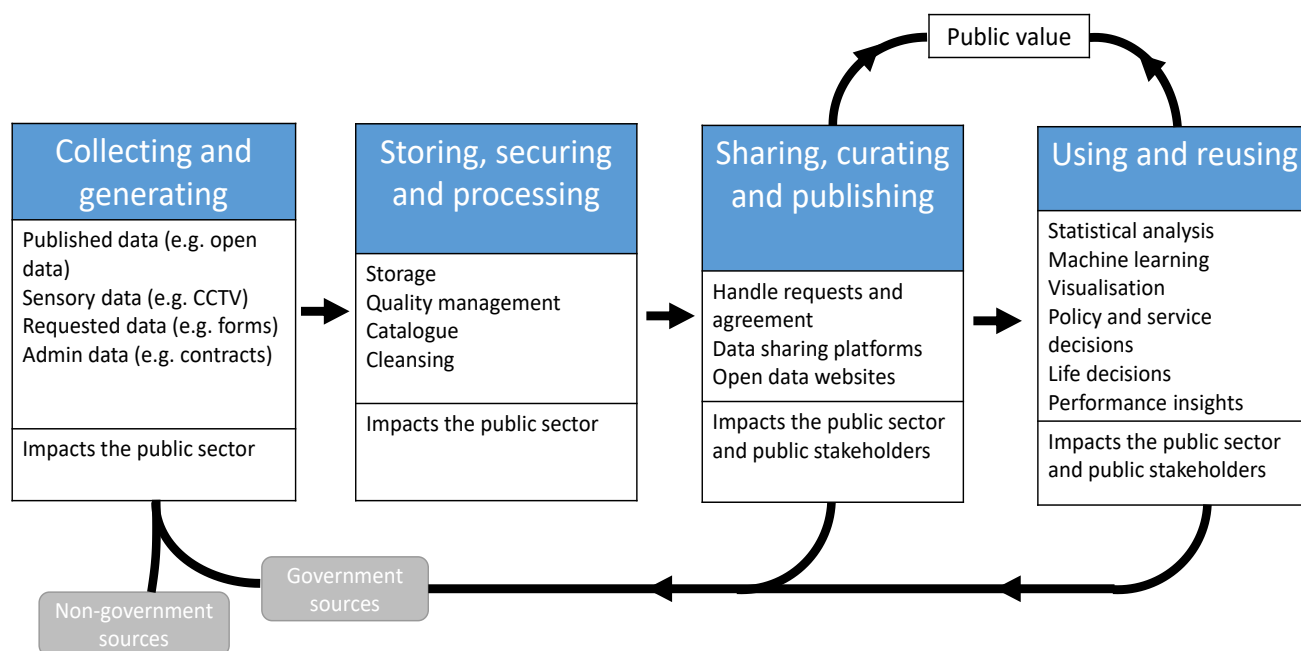
The supply of evidence for informed decision-making relies, first and foremost, on the existence of data, its collection and collation, and data sharing and interoperability. The supply of evidence is affected by both organisational and policymakers' capacities to undertake EIDM. This includes both technical and analytical skills as well as training and resourcing.

Data availability and accessibility

In essence, EIDM relies on information that is analysed to become evidence. The result is that there are a number of necessary technical steps to achieve EIDM. Information first needs to exist, and its existence needs to be known. Second, the information needs to be of sufficient quality for policy analysis. Third, the information needs to be available in an appropriate format.

To embed a data- and evidence-driven culture within the public sector, an overall appreciation and understanding of the data value cycle are needed – particularly from leadership (OECD, 2021^[19]). One essential aspect is ensuring that civil servants first consider data use before collecting and supplying it. The data value cycle highlights four areas: 1) collection and generation; 2) storage, security and processing; 3) sharing, curating and publishing; and 4) using and reusing data (Figure 3.2). While some recent efforts have been made in these areas, the Czech Republic faces challenges throughout the data value cycle. These challenges hamper Czech policymakers' ability to provide evidence to improve decision-making in the country.

Figure 3.2. Government data value cycle



Note: CCTV: closed-circuit television.

Source: van Ooijen, Ubaldi and Welby (2019^[20]).

The quality and availability of data are crucial for EIDM. Across OECD countries, challenges often relate to data access in the public sector, including understanding the administrative data currently available in ministries. Box 3.2 summarises the types of data sources for decision-making. A broader data challenge is the capacity of the public sector to generate the type of high-quality data necessary to produce evidence for decision-making (OECD, 2020^[21]).

Box 3.2. Data sources for evidence-informed decision-making

Data sources of general applicability

- **Statistical data:** commonly used in research, corresponds to census data or, more generally, to information on a given population collected through national or international surveys.
- **Administrative data:** these data are generally collected through administrative systems managed by government departments or ministries and usually concern whole sets of individuals, communities and businesses concerned by a particular policy. For instance, it includes housing data, tax records and other government data.
- **Big data:** mainly drawn from a variety of sources such as citizen inputs and the private sector, big data are most often digital and continuously generated. It has the advantage of coming in greater volume and variety.

Illustrative specific data sources

- **Stakeholder data:** these data are generated by stakeholders (e.g. businesses, citizens, non-governmental organisations, academia, etc.) and could be for regulatory (e.g. registration, bookkeeping, etc.), accreditation and/or membership (e.g. to apply for government grants, seek

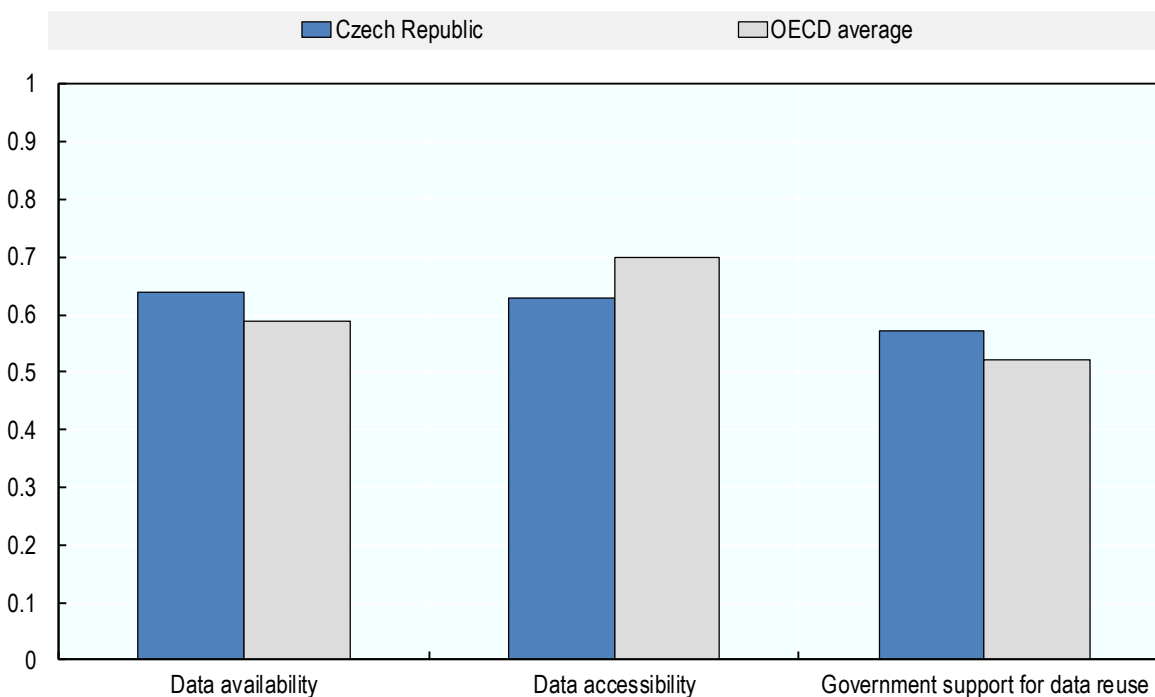
membership of an umbrella organisation, etc.), or other reasons (e.g. to provide evidence of survivability before seeking external finance, sharing research, to commence public debate on issues, etc.).

- **Monitoring data:** these data can be generated to assess whether objectives have been met, whether the behaviour of regulated entities has changed as expected or to ensure regulatory compliance, for example. It can be based on field visits, questionnaires or reporting requirements to regulators.
- **Evaluation data:** these data are collected for the purpose of an evaluation. They can take the form of qualitative questionnaires, on-site observations, focus groups or experimental data.

Source: Based Results for All (2017^[22]).

Data availability and accessibility are important factors in data use, as data need to exist but also be accessible for analysis. Publishing data is important, as analysts may not otherwise be aware of existing data sets. The OECD OURData Index, which measures the accessibility, usefulness and reusability of public data, shows that the Czech Republic sits very close to the OECD average in all areas (Figure 3.3).

Figure 3.3. OECD OURData Index, 2019



Note: The OECD average is for 34 OECD countries.

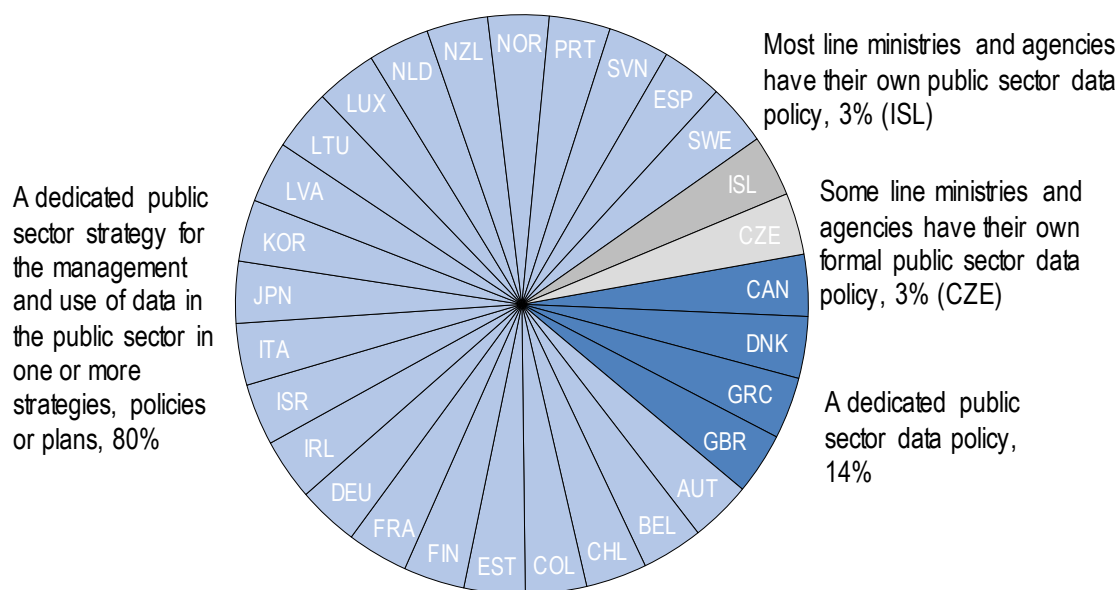
Source: Adapted from OECD (2020^[23]).

Exploring the data in more detail highlights that the largest area for improvement is in terms of data reuse and, in particular, data promotion initiatives and partnerships. These results support the observations made as part of the review that academic and other institutions generally lack access to data to undertake public policy research. More broadly, the European Commission noted that the current arrangements create poor incentives for collaboration between researchers and business. The European Commission concludes

that, more worryingly, there are no proposals for improving the regulatory environment as part of the latest Recovery and Resilience Plan, leaving the necessary reforms to be pursued via domestic reform channels (European Commission, 2022^[24]).

In part, the relative lack of open data may stem from an absence of a government-wide approach to data generally. The latest OECD information on member countries' data policies highlights that the Czech Republic has a relatively fragmented data policy (Figure 3.4). The Digital Government Index assesses and benchmarks digital government policies' maturity and implementation under a coherent and whole-of-government approach (Figure 3.5).

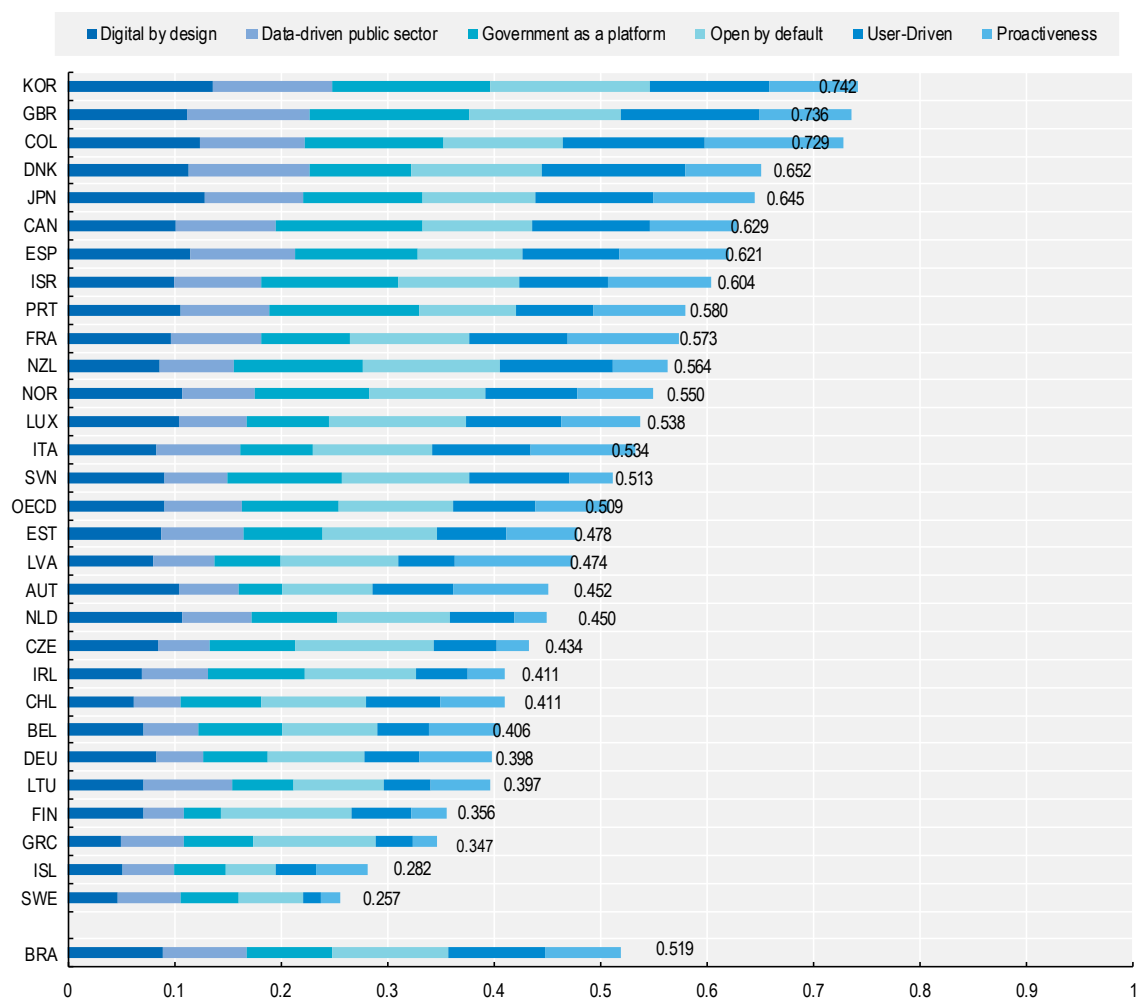
Figure 3.4. Availability of a public sector data policy at the central/federal government level, 2019



Note: Data are not available for Australia, Hungary, Mexico, Poland, the Slovak Republic, Switzerland, Türkiye or the United States.
Source: Ubaldi and Okubo (2020^[25]).

While all OECD countries have room to improve their digital government practices, some of the countries that score below the Czech Republic overall have superior results relating to the data-driven public sector composite indicator. The data-driven public sector dimension measures the extent to which governments have adopted and implemented a data governance approach to secure the effective management of data across public sector organisations (OECD, 2021^[26]). The areas covered highlight some of the current challenges of the Czech public administration and, as such, provide suggestions for reform. From an EIDM perspective, the most germane are the objectives under a public sector data policy that cover matters such as regulatory foresight, evidence-based policymaking, engaging societal stakeholders, developing user-driven services, public sector productivity and efficiency, policy evaluation, monitoring, and organisational learning (Ubaldi and Okubo, 2020^[25]).

Figure 3.5. OECD Digital Government Index, 2019



Note: Data are not available for Australia, Hungary, Mexico, Poland, the Slovak Republic, Switzerland, Türkiye or the United States.
Sources: Ubaldi and Okubo (2020^[25]); OECD (2021^[27]).

Data openness is an integral aspect of EIDM. Apart from the clear transparency and challenge benefits that it provides, a wider range of benefits can accrue to governments as a result of data openness (Ubaldi, 2013^[28]). In particular, open data has the potential to trigger a revolutionary approach to how governments think about providing services and how they measure efficiency in service delivery and user satisfaction (OECD, 2018^[29]). The development of the Open Data Portal serves as a single place for the open data agenda in the Czech Republic. The portal integrated methodological procedures for opening and cataloguing open data for all types of public administration institutions (Ministry of the Interior of the Czech Republic, 2021^[30]).

Data sharing and interoperability are important for building awareness of evidence to then use for decision-making. By working in open formats by default, many issues associated with data sharing and interoperability can be greatly reduced. Moreover, it unlocks the potential for data and broader societal innovation. The enhanced ability to combine different data sets can help develop additional, more innovative, and better products and services. In Norway, for example, citizens can lodge development applications via its national online portal, Altinn, which is, in turn, linked to both the relevant municipality and architectural services. Further, Altinn's peer-to-peer service allows citizens to notify their neighbours

of the application for the purposes of public consultation (OECD, 2020^[18]). Mixing public data with commercial, civil society and citizen input data, and pooling and sharing with those produced by other public agencies and/or levels of government – i.e. data sharing for developing shared content, services and policies between cities or countries – holds considerable potential for creating public value (OECD, 2018^[29]). Data within the Basic Registers have interoperability functionality despite not being based solely within the Ministry of the Interior (see Chapter 5). That said, access restrictions to the data within the Basic Registers means that there is scope for it to be more widely used in EIDM.

The Czech Republic recognised the challenges to both data openness and interoperability in its Strategic Framework for the Development of Public Administration of the Czech Republic 2014-2020 (“Strategic Framework 2014-2020”) (Ministry of the Interior of the Czech Republic, 2014^[31]) with the promotion of its open data principles. Addressing the challenges, however, continues to be an ongoing process, despite the fact that the Strategic Framework ended several years ago. The Ministry of the Interior provided a recent update regarding the Implementation Plan of the Strategic Framework, noting some improvements to the quality and interoperability of public administration data (KODI) and the development of the Open Data Portal. It also noted complementary work undertaken to describe the architecture, create rules for publishing data and provide support to public administration institutions in implementing them (Ministry of the Interior of the Czech Republic, 2021^[30]).

However, outside of the Basic Registers, one significant challenge faced by the Czech public administration relates to data interoperability. Some published data sets only include aggregate data that cannot be merged or linked with other data sets, and thus are of little use for statistical analysis. Beyond aggregate data, stakeholders interviewed for this review repeatedly mentioned that accessing micro-level information from the Czech Statistical Office is difficult. The difficulty stems from the fact that agencies must go through various procedures each time they want to obtain unpublished data. Examples from other OECD countries, such as Denmark (Box 3.3), suggest that greater data availability does not have to be at the expense of privacy or cost concerns in its potential for use. Building on open data principles, over time, the Czech Statistical Office, in co-operation with the various agencies, could investigate the possibility of publicly releasing requested data to enable other interested parties to undertake their own analysis. An additional benefit from such an approach could be a reduction in the resources needed to address repeat data requests received from various parties.

Box 3.3. Administrative data access in Denmark

In Denmark, personal data are stored in registries with personal identification numbers. Statistics Denmark facilitates the use of these micro-level databases for research purposes for approved analysts, universities, research organisations and ministries. Statistics Denmark possesses data in more than 250 subject areas ranging from labour markets, consumption and demographics to transport, agriculture and the environment. The data are prepared by the Research Service Division and are accessible remotely and securely through specific Internet servers. Analysts can access data in these areas as far back as the 1970s.

Source: Statistics Denmark (2014^[32]).

Another barrier to data use in EIDM is privacy. All OECD countries face the challenge of balancing the use of personal data for EIDM and ensuring that the personal data rights of citizens are secured and respected (OECD, 2020^[33]). Indeed, data protection legislation can constitute an obstacle to using individual-level data for decision-making in some countries, specifically when carrying out statistical analysis and merging files, which requires access to single identifiers (OECD, 2020^[33]).

Stakeholders interviewed for this review frequently cited privacy concerns as a central constraint to a more open and transparent data culture across the Czech administration. While privacy should be recognised as a legitimate interest when weighing concerns about the public release or use of specific data, it should not operate as an effective veto on providing information for decision-making. The existence of the Basic Registers points to the fact that the Czech administration can balance privacy concerns with data access.

Research institutions have the ability to critically assess evidence presented by the government and can undertake research independently of the government. In turn, governments can rely on such research as part of EIDM, with the additional advantage of saving public resources, as the work has already been carried out. A corollary to the lack of publicly available – and especially linked – data means that Czech research institutions cannot act as an important voice as part of EIDM. One possible solution could be for the Czech government to create formalised agreements with research institutions covering matters of data access and use. In Denmark, for instance, there are agreements between all research and analysis institutions and Statistics Denmark, which, among other things, clarify roles and responsibilities and ensures that the staff of research and analysis institutions handle their administration of each institution in the most appropriate way (Statistics Denmark, n.d.^[34]).

More generally, systematic strategies and policies to combine, link and reuse data, as well as to connect actors and decisions within and outside the public sector, are necessary to enable administrative data to be used for EIDM (OECD, 2019^[35]). As a result, some OECD countries have sought to develop EIDM strategies by fostering systematic use of administrative data (Box 3.4). Such a government-wide strategy for using administrative data in decision-making could be included in a broader framework on EIDM in the Czech Republic.

Box 3.4. The United States government-wide data used for analysis

The United States has institutionalised and implemented government-wide approaches for using data for analysis. It has done so by mobilising institutional resources, promoting internal champions and exploring the possibility of fully using existing data systematically through significant governance changes. The United States issued the 10-year Federal Data Strategy centred around three core principles: ethical governance, conscious design and a learning culture. The Federal Data Strategy is complemented by an implementation plan of 40 practices to help agencies comply. Moreover, the Foundations for Evidence-Based Policymaking Act of 2018 includes a government-wide approach to data as a key pillar for the evidence-informed policymaking vision. Its implementation plan mandates agencies in the US administration to have a chief data officer. It also covers such programmes as “Open Data Access and Management” and “Data Access for Statistical Purposes”.

Sources: OECD (2019^[35]; 2021^[19]).

As open data maturity increases across the globe, so is governments’ understanding that securing long-term sustainability requires changing the organisational culture to further the leadership’s understanding and build the necessary skills and open-by-default mind set among civil servants and across the public sector. This can indeed facilitate the scaling up of successful initiatives, the sharing of knowledge on what works and what doesn’t, and the promotion of open data reuse by civil servants, who can become active agents in benefits realisation (OECD, 2018^[29]). It is also central to embedding an evidence-based culture more broadly within the civil service to engage in policy experimentation and monitoring and evaluation.

Civil servants are a key group of potential data reusers. Fostering a culture that sustains the use of data to innovate “business processes” and create collaboration within the public sector is essential for long-term sustainable results. This implies building capacity to reuse data for decision-making, in particular, related to strategic foresight, innovation (e.g. building data analytics capacities, see below) and improving

performance (e.g. releasing data and implementing open data policies considered essential as part of the performance indicators framework or policy) (OECD, 2018^[29]).

Data sharing and interoperability appear to be at the heart of data issues in the Czech Republic (see above). One issue relates to the digitalisation of government information (see Chapter 5). However, more fundamental data issues remain, especially with regard to data culture within the Czech administration. Stakeholders of this review noted that data accessibility was an acute issue, and it was recently noted by Deputy Minister for Science, Research and Innovation Štěpán Jurajda, that:

We actually have most of the data we need. But they are not accessible to researchers and do not connect across departments, because each of them has its own information system. It is easier for each report to say that it will not give the data to anyone because it does not collect it for research purposes or because it does not have a way to anonymise and protect the data.

The main reason for this state of affairs is the fact that we do not have legislation in place to regulate access to public data as is common in developed countries. As a result, the necessary data are not available at all, and when someone does get access to it somewhere, it is a specific, sometimes random access. So it can't work well. (Hrstková, 2022^[36])

Data stewardship was also identified as an issue. In the Czech Republic, many civil servants effectively have sole discretion about whether to release data, to whom and the conditions for using it. Many other countries have permanent entities responsible for granting access to data. Not only does this allow for administrative savings where the same data are repeatedly requested by different institutions, but it also helps to ensure that data requests are treated consistently across the entire administration. On this latter point, an additional issue is that while some informal networks and channels do exist to help facilitate some data sharing, these are solely dependent on the personnel working there. If they change positions, these links are broken and both the corporate memory and access to the data are potentially lost.

The Ministry of the Interior's current proposal on public data management recognises problems with the current system. Apart from giving due consideration to the factors identified here, implementing the final proposal (Box 3.5) will be critical to bringing about the necessary cultural change needed to ensure that evidence is both more widely available and used in decision-making.

Box 3.5. Public data management proposal in the Czech Republic

The proposal on public data management aims to introduce the principles of public sector data management and regulate the controlled access to public sector data and their reuse.

The first part of the draft proposal stipulates that mandatory entities are obliged to carry out a data review, during which the data held by the given mandatory entity will be identified. Based on the data review, descriptions of these data will then be created and recorded in the public register. The public administration and the public will thus know what data the state has and works with. Obligated entities will also formalise and guarantee the accessibility of identified data both for the performance of their agendas and the agendas of other obliged entities.

The second part of the proposal is the partial implementation of the so-called DGA regulation. The proposal creates a legal framework for a controlled data access mechanism. Under clearly defined conditions, this will enable access and reuse of data that are currently excluded from the open data by default principle. The proposal contains a system of tools that ensures the protection of conflicting rights and interests, especially in the form of the right to the protection of personal data.

The proposal further envisages the establishment of a single data office that will act as a central platform for processing requests for controlled access to data and connect the data interfaces of different entities.

Source: Information provided by the Ministry of the Interior, 2022.

Analytical capacities to provide evidence

The OECD has recently published reports on the supply side of EIDM on mobilising evidence and building capacities (OECD, 2020_[33]; 2020_[11]). Key factors relate to organisational and policymakers' capacities to provide EIDM.

Organisational capacity

Organisational capacity refers to factors that can either support or impede the use of evidence within organisations. This can include tangible factors such as well-maintained computer facilities, adequately resourced libraries and robust knowledge management processes. Evidence cannot be disseminated or translated if such resources are unavailable or cannot be accessed in time (OECD, 2020_[11]).

Key aspects of organisational capacity are culture, inertia and political context. Culture refers to the norms, values and basic assumptions of a given organisation (Damschroder et al., 2009_[37]). Inertia refers to potential resistance faced in instituting change management (Godkin and Allcorn, 2008_[38]). Political context here refers to the civil service delivering on potential appetite for reform, which is a demand factor for EIDM previously discussed.

Decisions about how to gather, analyse and interpret evidence will also be shaped by the internal dynamics of individual government departments, as well as the wider bureaucratic and political pressures (Shaxson, 2019_[39]). This includes civil service reform programmes, organisational cultures, and internal structures and processes that impact how individuals and teams work with each other. Cultural and attitudinal factors in the wider society also affect the extent to which evidence gets used in policymaking (OECD, 2020_[11]).

The Czech administration chronically lacks analytical capacities. It is very rare for ministries to have an analytical and/or statistical unit.² When they do, these units rarely contribute to developing RIAs or other cross-cutting policy documents using evidence-based methods. The example of RIA can illustrate this.³ Research of the Government Office has shown that, instead of multidisciplinary teams, with some exceptions, there is only one person responsible for drafting an RIA (Office of the Government of the Czech Republic, 2020_[40]) and this is very often a lawyer from a legislative department. There are some research institutes that report to some ministries (e.g. the Research Institute for Labour and Social Affairs, the Institute for Occupational Safety Education, and the Occupational Safety Research Institute, all of them reporting to the Ministry of Labour and Social Affairs); however, according to interviews conducted for this review, all of these research institutes contribute to the analysis needed for RIA or policymaking.

The current government has decided to tackle the lack of analytical capacities by creating a Government Analytical Unit (VAU) in the Office of the Government. This Unit should focus on providing expert analysis of horizontal issues and assist individual ministries in carrying out economic analysis when developing new policies and/or laws. In the initial stage, VAU experts should assist in drafting individual RIAs if asked for advice, but RIA should not be the sole focus of the analytical work of the VAU in the long run. Eventually, analytical support of strategies and policies, as well as strategic foresight, should be added to its responsibilities. Additional tasks could also include support activities, such as networking with research institutes within and outside the administration, universities and think tanks; piloting and testing new policies and regulations; co-ordinating the introduction of behavioural insights in the administration; and/or other activities aiming at better EIDM development across the Czech government.

The VAU has been set up in the Office of the Government under the responsibility of the Minister for Legislation. Creating the VAU was an *ad hoc* initiative of the new government. This has also attracted some criticism in terms of “adding more bureaucrats to fight bureaucracy”, which might stem from misunderstandings regarding the purpose of the VAU. The VAU could be used as a basis and an important first step in strengthening analytical capacities in the administration. In the long term, similar departmental analytical units should be created with cross-cutting support provided by the VAU. This should also lead to transferring some of the central VAU staff to these departmental units.

The creation of the VAU is mostly in line with the objective set by the Ministry of the Interior in the National Recovery Plan to be launched in 2023, focusing on strengthening analytical capacities in the public administration. Its aim is to create a position of analytical co-ordinator in each ministry and, through these co-ordinators, train and methodologically support analysts in respective ministries. Co-operation among these co-ordinators should be ensured through an inter-ministerial working group. At the same time, a new Central Analytical Unit should be created which will increase awareness on the importance of EIDM and will provide guidance and methodological support to individual ministries and public administration agencies on qualitative and quantitative analytical methods. However, this project is supposed to be carried out under the leadership of the Ministry of the Interior. It would be important to better co-ordinate such activities in the future to achieve tangible results and avoid tensions relating to which body is the leading one. The VAU should be used as a basis through which analytical capacities can be strengthened across the administration, and the existing political momentum should be exploited in this regard.

Policymakers' EIDM capacities

Increasing the prevalence of EIDM by policymakers depends on behavioural change, such as using evidence and evaluation to influence policy debates, the resulting policy choices and the practical implementation of those choices (Langer, Tripney and Gough, 2016^[41]). This can be conceptualised as components in an interacting system. A model developed by Michie, van Stralen and West (2011^[42]) posits that capability, motivation and opportunity interact to generate behaviour:

- *Capability* is defined as an individual's psychological and physical capacity to engage in a specific activity. It includes having the necessary knowledge and skills.
- *Motivation* is defined as all the processes that energise and direct behaviour, not just goals and conscious decision-making. It includes habitual processes, emotional responding and analytical decision-making.
- *Opportunity* is defined as all the factors outside the individual that make the behaviour possible or prompt it.

Capability to engage in EIDM includes an individual civil servant's knowledge of different types of research methods, as well as fundamental skills of statistical and data literacy and the capacity to read and understand analytical products, often in English. Box 3.6 provides the requisite skill set for civil servants to undertake EIDM. Motivation to engage in EIDM can include beliefs that civil servants have a mandate to use evidence, that the use of evidence will be rewarded, and an understanding of how the use of evidence will improve the quality of policymaking and ultimately increase trust in government. The opportunity to engage in EIDM includes the strength of the connections between the policymaking and the research community and civil servants' institutional access to evidence (OECD, 2020^[1]).

Box 3.6. Civil servant skill set for evidence-informed policymaking

Research collaboration between the OECD and the Joint Research Centre of the European Commission led to a definition of the requisite skill set for evidence-informed policymaking to comprise the following elements:

- *Understanding evidence-informed policymaking* – Policymakers with this skill will understand the role of evidence and its place in the policymaking cycle as well as the challenges and opportunities which come with the use of evidence. This will be underpinned by knowledge of different research methods and their purpose, as well as the fundamentals of statistical and data literacy (including big data, machine learning and artificial intelligence).
- *Obtaining evidence* – Policymakers with this skill will be able to gather existing evidence in their own policy area and know who to turn to as sources of evidence synthesis. They will be able to recognise where there are evidence gaps and commission high-quality evidence to fill the gaps using a range of project management techniques.
- *Interrogating and assessing evidence* – Policymakers with this skill will make use of a set of holistic, systemic and critical thinking tools. They will be able to assess the provenance, reliability and appropriateness of evidence. They will have the ability to interrogate evidence by critically assessing its quality and context using a range of techniques to challenge assumptions and biases.
- *Using and applying evidence in policymaking* – Policymakers with this skill will understand their own policy context and recognise possible uses of evidence in the policy cycle. They will be proficient in knowledge management and understand the role of innovation, with an ability to assess and manage risks and challenges. They will be familiar with and know when to use innovative techniques like behavioural insights, design thinking, policy labs and foresight to support policy design and implementation.
- *Engaging with stakeholders in evidence-informed policymaking* – Policymakers with this skill will have strong engagement and communication skills, including the ability to create effective evidence-based messages for different types of audiences and to engage and inspire a variety of stakeholders. They will be able to manage and facilitate evidence-informed debate with policymakers and citizens and maintain collaboration with the evidence community. They will have a good grasp of co-creation, co-production and participatory methodologies.
- *Evaluating the success of evidence-informed policymaking* – Policymakers with this skill will understand different evaluation approaches and tools and know how to use comparative examples to inform evidence-informed decision-making (EIDM). They will understand that evaluation should be built into the policy cycle and should serve to inform and improve EIDM. They will know and use qualitative and quantitative indicators of successful evidence use.

Policymakers with these skills will be better placed to conduct EIDM as part of their daily work.

Source: OECD (2020^[1]).

Policymakers' analytical skills encompass an ability to both create and use information in decision-making. This includes an individual's knowledge of different types of research methods as well as statistical and data literacy, and the capacity to read, understand and utilise analytical outputs. In practice, these skills often require a multidisciplinary set of competences drawing from a wide range of areas, including economics, statistics, social sciences, environmental sciences, law and engineering.

The main challenges for attaining these capacities according to the various participants are:

- a severe lack of analytically skilled staff, due in part to a lack of suitably qualified staff in the Czech labour market and difficulty in attracting and retaining such staff
- the scarce analytical skills that do exist are dispersed in an *ad hoc* way across ministries
- a general lack of training and analytical capacity building, which perpetuates the notion that skills are neither in demand nor desired across the Czech public administration.

One additional challenge is decision-makers' general lack of demand for evidence. This, in turn, influences the skills that senior policymakers seek when recruiting (see section above). A solution undertaken in Lithuania was to create a whole-of-government evidence and analysis unit (Box 3.7).

Box 3.7. Lithuania's Government Strategic Analysis Centre (STRATA)

In 2017, the Lithuanian Science and Education Monitoring and Analysis Centre (MOSTA), previously located at the Ministry of Education, Science and Sport, was moved under the responsibility of the Office of the Government. This transfer was motivated by a strategic need for leadership in the generation of evidence and analysis for the whole of government. In 2019, MOSTA was officially transformed into the Government Strategic Analysis Centre (STRATA) with the mission to foster high-quality evidence and public knowledge based on objective information. The intention is to leverage the expertise of the centre to strengthen the evidence-informed decision-making mechanisms to enable sound strategic governance from a whole of government perspective.

The current legal framework gives STRATA a wide variety of responsibilities, which intervene at different stages of the policymaking cycle. Indeed, the Government Strategic Analysis Centre is responsible for:

- carrying out foresight activities, monitoring and evaluation in the context of the strategic governance system
- conducting thematic studies in the areas of expertise related to its previous MOSTA mandate
- promoting the quality of regulatory impact assessment and *ex post* assessments
- providing advice to promote evidence-informed decision-making
- managing the network of public analysts.

STRATA has been given a mandate in several stages of the preparation and implementation of the main strategic planning documents of the Lithuanian government. In particular, STRATA has an explicit role in conducting strategic foresight for the preparation of the State Progress Strategy 2050 and the National Progress Plan 2030, as well as monitoring and evaluating these plans.

STRATA has a role in promoting the quality of regulatory impact assessments (RIAs) by providing quality control for high-impact RIAs and general methodological support to ministries. Since 2020, quality control of higher impact legislation has been delegated to STRATA. STRATA, together with the Office of the Government, reviews the preliminary information on RIAs sent by the ministries and decides which legislative projects should be included on the semi-annual high-impact legislation list. In 2021, these semi-annual lists were substituted by a list covering a three-year period (2021-24) with the possibility for revision. Once the list is completed, the ministries drafting these legal acts can solicit methodological help from STRATA. The Office of the Government sends the final RIA to STRATA for quality control. STRATA controls the quality of the impact assessment.

STRATA also has a role in quality assurance, by offering support to ministries that are drafting "proposals of evidence-informed decisions", which includes RIAs. In this regard, STRATA has co-operated with ministries on conducting RIAs. One such example is the *ex ante* impact assessment

of the COVID-19 relief stimulus, where STRATA provided its expert opinion on the impact estimated by the Ministry of Finance. Furthermore, STRATA developed some cross-government RIA methodological guidelines.

Furthermore, STRATA may also have the mandate to provide quality assurance for *ex post* regulatory assessments upon request. The Ministry of Justice is in charge of co-ordinating *ex post* regulatory assessments and plans to solicit STRATA's advice on the quality of *ex post* assessments.

Source: OECD (2021^[19]).

Analytical expertise is not co-ordinated

Stakeholders interviewed for this review noted that there are pockets of analytical expertise scattered across a number of ministries. However, the staff's expertise was more a result of their own volition rather than a top-down edict from decision-makers or senior policymakers that these skills are desired. Further, in practice, the extent to which analytical expertise could be deployed is largely self-determined by the relevant staff member who has the skills, if they are afforded the time and have the desire to do the work.

The general lack of a co-ordinated approach to analytical expertise represents a missed opportunity for better evidence-informed decision-making in the Czech Republic. According to the Ministry of the Interior's plans, in the future, co-ordination among analytical units should be ensured by the central analytical unit and its network of ministerial analytical units. Solutions in other OECD countries have looked to facilitate a central co-ordination role to establish whether policies are working as intended (Box 3.8). The VAU could play this role in the future.

Box 3.8. The United Kingdom's What Works approach

The United Kingdom's What Works initiative aims to improve the way government and other organisations create, share and use (or "generate, translate and adopt") high-quality evidence for decision-making. It supports more effective and efficient services across the public sector at national and local levels. The What Works Network is made up of seven independent What Works centres and four affiliate members.

A What Works national adviser in the Cabinet Office promotes and supports the independent What Works Network and carries out the following cross-cutting initiatives:

- running a Cross-Government Trial Advice Panel, with experts from across academia and government providing a free service for all civil servants to help test whether policies and programmes are working
- sharing findings from the What Works centres across government and promoting discussion on "what works"
- supporting the development of a civil service with the skills, capability and commitment to use evidence effectively
- helping policymakers take informed judgements on investment in services that lead to impact and value for money for citizens.

Source: UK Government (2022^[43]).

Analytical skills are scarce in the Czech labour market

One significant issue in the Czech public administration is that its recruitment policy requires previous civil service employment and is preferred to other experiences in the private or community sectors (see Chapter 6). At an organisational level, this poses the risk that the public administration is not generally benefiting from external knowledge in managerial positions, especially those who can bring their own experiences about driving behavioural and cultural change.

Analytical skills are crucial to ensure the effective supply and use of evidence for decision-making. In particular, quantitative skills, data skills and related soft skills are extremely important in a world that is becoming ever more digitalised. The volume, velocity and variety of data have increased dramatically and “data literacy” among civil servants is indispensable (OECD, 2017^[44]). Data scientists or economists/statisticians competent in working with data must be present among ministerial staff so that the evidence derived from data is used correctly, and that external evaluations and assessments are contracted appropriately. This might require developing more programmes focused on quantitative analytical skills, particularly economic skills.

The Czech Republic has a relatively low share of adult learning among public sector workers (10.2% in 2021 compared to the EU27 average of 18.6%, likely aggravated by the COVID-19 pandemic restrictions). The Czech Republic also remains below the EU average in its share of public administration employees with a tertiary education (45.3% compared to the EU average of 55.3%). The EU-level target for tertiary education attainment remains distant. The Czech Republic also faces challenges in attracting young civil servants. It ranks in the bottom half of the EU on the share of government employees under 39, leading to potential concerns about the stability of the civil service (European Commission, 2022^[24]).

Training and capacity building is insufficient for EIDM to take hold

Training is a cornerstone of EIDM, as it is unlikely that all civil servants recruited will have the complete skill set to undertake EIDM immediately. As noted above, while data gaps do exist, issues around data sharing and an acute lack of data interoperability across ministries’ systems are problematic. Consequently, it is more likely that there will be a lower level of understanding of EIDM as, for example, undertaking anonymised linked data research is seldom currently required.

The Czech administration has recognised that ongoing training for civil servants is required in a number of areas, including those relating to EIDM. The Czech Ministry of the Interior and its Department of Chief Architect of E-Government regularly organise open data training courses and workshops for public servants. These training courses aim to equip public servants with the adequate knowledge and skills for publishing government data as open data. These training courses thus also include open data literacy skills development (OECD, 2018^[29]). Notwithstanding the volume of training undertaken – more than 1 000 civil servants undertook the training courses in 2021 – the extent to which this has embedded a more open and data-centric approach across the public administration is unclear. Metrics used as part of the Ministry of the Interior’s annual reporting cover the number of open data providers and the number of data sets available (see below), but usage indicators are missing. The Evaluation Unit within the Ministry for Regional Development commenced an annual evaluation conference series in 2015 that looks mainly at the evaluation of European Structural Fund programmes. Through the open discussion of evaluation techniques and experience sharing, the conferences provide an opportunity to bring evaluation practitioners together to discuss what works and what does not in the field of evaluations. Conferences have included enhancing the clarity of communicating results, improving the impact of evaluations, and better linking evaluations to management and policymaking (Ministry for Regional Development of the Czech Republic, 2015^[45]).

Nevertheless, a severe lack of policy evaluation and analytical capacities within the civil service was identified as a significant hurdle to overcome if EIDM is to flourish in the Czech Republic. The OECD Digital

Government Index found few training initiatives for public professionals in areas such as data analytics in policymaking and service delivery (8 countries or 28%), artificial intelligence (9 countries), and usability and accessibility (6 countries each). Examples of such a comprehensive training approach for the public workforce are the GDS Academy in the United Kingdom and the School of Public Service in Canada (OECD, 2021^[46]).

Both the RIA Board and the RIA Unit within the Office of the Government (see below) provide training and capacity building for civil servants in the application of RIA (OECD, 2021^[7]). The OECD received examples where individual staff from several different ministries had undertaken RIA on their own initiative to help inform policies for decision-makers. However rare, these instances demonstrate that current policymakers can undertake RIA in the Czech administration. A significant challenge signalled was that even in these instances, RIA tended to start very late in the decision-making process. Starting late meant it was more difficult to obtain information on potential impacts and engage with affected parties. It should also be noted that while the exact functions of the VAU are not yet defined, it is expected that one of its roles will be to provide training to civil servants.

A lack of resources can be a barrier to undertaking EIDM. Resources relate not only to ensuring that future data costs are budgeted for, but that significant investment is made in carrying out all aspects of EIDM. This means adequately resourcing ministries to conduct evidence-based policymaking, as well as having appropriate oversight resources. The staff resourcing in the RIA Unit is comparable to the OECD average, although it should be noted that resourcing levels vary considerably across countries (OECD, 2021^[7]).

Assessment of key EIDM institutions and documents

Various government institutions are responsible for generating demand for EIDM in the Czech Republic. The main government entities are the Ministry of the Interior, which is responsible for the overall public administration, including the civil service, and the Office of the Government. These entities are responsible for generating various government documents such as strategies and guidance relating to, among others, better regulation. Government councils play an important role in both assessing and fostering public scrutiny of regulatory proposals (see Chapters 1 and 2 for a discussion of government councils).

The final major institution relates to regulatory oversight. The RIA Board was constituted in 2011 and is responsible for scrutinising regulatory proposals of the government subjected to RIA. More recently, the Czech government announced the establishment of the VAU in the Office of the Government, whose final role is currently unclear.

Assessment of key government documents

Key documents include the Competency Law; the Government Legislative Rules of 1998, were updated in 2018; various government strategies; and better regulation guidance. Like all OECD countries, the Czech Republic has a published government-wide regulatory reform policy (OECD, 2021^[7]).

Chapter 2 discusses the Competency Law in more detail. The Government Legislative Rules set out the general rule-making procedures in the Czech Republic. Government strategies relevant to better regulation, as well as bespoke guidance, are discussed below.

The overarching government strategies relating to EIDM are the:

- Strategic Framework 2014-2020 (Ministry of the Interior of the Czech Republic, 2014^[31])
- 2030 Strategic Framework for the Czech Republic (Government of the Czech Republic, 2017^[14])
- Methodology for the Preparation of Public Strategies (Ministry for Regional Development of the Czech Republic, 2018^[47])
- Client-oriented Public Administration 2030 (Ministry of the Interior of the Czech Republic, 2019^[48]).

It was previously recognised that the Czech public administration lags behind its European peers in a number of areas (Ministry of the Interior of the Czech Republic, 2014_[31]). The lack of a conceptual document for the development of public administration was noted as part of the rationale for the Strategic Framework 2014-2020. The other part was in response to pre-conditions imposed by the European Commission in allowing for the drawdown of funds under the European Structural and Investment Funds (Ministry of the Interior of the Czech Republic, 2014_[31]). The last point is particularly pertinent to EIDM, as the European Structural and Investment Funds imposed strict monitoring and evaluation requirements which, in turn, provided for various information and data needs to track progress.

The Strategic Framework 2014-2020 recognised that the regulatory environment in the Czech Republic could be improved. Several of its strategic objectives related to improving EIDM. For example, Strategic Objective 1.2 aimed to improve RIA, develop a methodology to assess administrative burdens and create an *ex post* RIA mechanism (Ministry of the Interior of the Czech Republic, 2014_[31]). According to the evaluation report, the Ministry of Trade implemented 62 measures to reduce administrative burdens on businesses in 2015, which exceeded the original goal of 60 measures. There were 40 additional measures identified and most of them were implemented by 2019. In the meantime, the Ministry of the Interior started implementing a project to reduce administrative burdens for citizens and the public administration.

The completion and implementation of the proposed outputs of various strategic documents consistently remain a weak point in the Czech administration. An important goal of the strategy was developing a framework for regular *ex post* performance evaluation of existing regulation through an *ex post* RIA. A methodological framework was developed by two working groups under the leadership of the Office of the Government. However, this proposal was rejected by the Government in 2021 and is still being finalised in the inter-ministerial comment procedure and its destiny is not clear.

A previous evaluation of the Strategic Framework noted that elements of process management and the introduction of selected aspects were delayed. Among others, specific objectives relating to reducing administrative burdens and the introduction of the measurement and evaluation system were not completed on time (Ministry of the Interior of the Czech Republic, 2017_[49]). Moreover, it was noted that promoting the particular needs of special interest groups or of politicians runs counter to EIDM and makes it difficult to implement the Strategic Framework as originally intended (Ministry of the Interior of the Czech Republic, 2017_[49]).

While the Strategic Framework Czech Republic 2030 relates to sustainable development, it touches on a number of EIDM aspects. In particular, it includes a chapter on good governance that notes: “Citizens participate in decision-making on public affairs and the state creates suitable conditions to facilitate this. Public administration enhances the quality of life of the population of the Czech Republic via public policies and achieves the goals of sustainable development in the long-term perspective” (Government of the Czech Republic, 2017_[14]). One specific objective is to “increase the inclusiveness of governance, i.e. the real possibility of involving its citizens in decision-making on public affairs, or more precisely into the policymaking process” (Government of the Czech Republic, 2017_[14]). The means that achieving that objective will be through “greater use of participatory forms of democracy which emphasise direct involvement in the decision-making process, and deliberative democracy oriented towards discussion and mutual persuasion. For example, public consultation on legislative proposals, whether by the government, or by anyone else, using referendums or inviting citizens to co-decide on budgetary priorities (participatory budgeting), especially at the local level” (Government of the Czech Republic, 2017_[14]).

Improving the evidence base is also an objective of the Strategic Framework: “Another important step towards achieving policy coherence will be to strengthen the strategic approach and [place a] greater emphasis on preliminary impact assessments and retrospective evaluation. For each decision, consideration should be given to the impact on other areas (side-effects), especially long-term impacts and, if possible, to developing alternative solutions” (Government of the Czech Republic, 2017_[14]).

The strategic objectives under the good governance key area most pertinent to EIDM are that policymakers have high-quality and easily accessible data and information for decision-making needs, innovative solutions are fostered to improve long-term policy effectiveness, and user satisfaction of public administration increases (Department of Sustainable Development, 2021^[50]).

The 2030 Strategic Framework for the Czech Republic included a typology of tools to contribute to attaining its objectives. In total, the 5 strategic goals comprised 15 specific goals and 59 measures and recommendations. A review of the Strategic Framework for Sustainable Development highlighted both the concentration of favoured tools and the relative neglect of others. Closing off on the use of a broad range of tools can unduly limit the evidence base for decision-makers. A narrow evidence base presents decision-makers with few realistic options among which to choose (OECD, 2021^[5]). The review highlighted that nearly 60% of the selected tools relate to strategic/planning/project and organisational institutional/process. While in and of itself this may not be a problem, the review highlighted some shortcomings with the relative marginalisation of the use of other tools:

*An example can be Objective 24.2, intended to advance the ex ante evaluation of the impacts of public policies. The latter is solved only by tasks of a strategic and planning nature. If we broaden the scope to the entire strategic objective, the representation of other types of instruments will increase; however, within the framework of a specific objective, it is essentially a “bet on one card”... **For each specific goal, it would therefore be necessary to rethink whether it makes sense to concentrate on one type of tool** (because they are the only one possible, because they are by far the most effective, because they are the only ones still lacking in the policy mix for the given issue, etc.), **or if it is just the fact that there is no will, capacity, etc. to use other types of tools** [original emphasis]. (Department of Sustainable Development, 2021^[50])*

It was particularly noted that participatory and deliberative tools were underutilised. For instance, in attaining the key objective of resilient ecosystems, it was noted: “The practical absence of participatory and deliberative tools shows a strong fulfilment of the assumption of using only expert knowledge and capacities for the strategic management of areas falling under the key area of resilient ecosystems. And thus a possible significant abstraction from the discussion of the given issues with the public or scant efforts to involve the public in decision-making processes” (Department of Sustainable Development, 2021^[50]).

The Methodology for the Preparation of Public Strategies commenced in 2018. Along with complementary documents referenced in the methodology, such as the methodology of a systematic overview of knowledge for the creation and evaluation of public strategies and A Guide to the Project Management Body of Knowledge, coupled with the Typology of Strategic and Implementing Documents (Ministry for Regional Development of the Czech Republic, 2017^[51]), they provide an overall framework to devise public strategies in the Czech Republic.

Given their ubiquity – there are now nearly enough government strategies to cover every day of the year – getting their design, implementation and review right is of crucial importance for the functioning of the Czech public administration. Yet, a fundamental problem is getting the Czech public administration to use the methodology when creating public strategies. A previous evaluation of the Strategic Framework highlighted that less than one-quarter of public strategies were prepared according to the methodology (Ministry of the Interior of the Czech Republic, 2017^[49]). Designing public strategies without much degree of commonality makes reconciling differences more difficult and leads to a more complex policy framework. This, in turn, makes monitoring and evaluations more isolated and limits the possibilities for horizontal learning.

There is recognition of the crucial role that EIDM plays in the creation of strategy documents (Box 3.9). The material, therefore, provides a sound basis for policymakers to devise strategies with EIDM in mind. In practice, however, public strategies lack the obligation to provide information to turn into evidence to aid in decision-making. Additional weaknesses identified during the review include a general lack of strategy evaluation, i.e. a “set and forget” mentality pervades; and that there is little co-ordination and coherence in the production of strategies (see Chapter 2).

Box 3.9. Evidence-informed decision-making elements in the Methodology for the Preparation of Strategy Documents

The guidance material provides that strategies should be prepared:

- transparently and objectively, and based on a wide range of interested parties, leveraging existing knowledge wherever possible
- in such a way as to inform decision-making
- in a co-ordinated manner, with clear roles and responsibilities
- based on evidence, include predicted impacts, and be later evaluated to determine their real benefit and impact
- with an emphasis on outputs that includes specific and targeted measures, including the establishment of metrics to determine success and progress in implementation
- to allow for continuous evaluation and experimental learning
- with adequate financing to ensure that they can be fully implemented and evaluated.

Source: Ministry for Regional Development of the Czech Republic (2018^[47]).

The Client-oriented Public Administration 2030 is the follow-up to the Strategic Framework, which expired in 2020. The Concept was informed by the Strategic Framework and other key documents outlined above, as well as the White Paper on the Future of Europe. A working group was created in 2018 to help design the Concept. It was comprised of key government stakeholders and met five times. A public questionnaire was available for two months in 2018 (Ministry of the Interior of the Czech Republic, 2019^[48]). This all suggests that a detailed and transparent process was followed to create the Concept, although how the feedback that was received was incorporated into the final design is unclear.

Better use of EIDM is the first objective of the third pillar of the Concept. The goal is to be reached through:

- developing analysts' skills in the public administration
- supporting the creation of analytical teams in the state administration
- supporting decision-making based on data and facts and their critical evaluation
- publishing analyses and accompanying data in one place to make sharing them easier.

The document also lists increased support for RIA reporting as one of its objectives.

It will be crucially important to ensure that the Concept is appropriately implemented. As noted in the Concept, it (along with the various action plans) is a living document – even more so given their time frame – and there ought to be a degree of flexibility in their eventual coverage. To this end, 12 monitoring and evaluation reports are required to assess the implementation of the Concept and its action plans. As part of its implementation, the Concept requires an *ex post* impact evaluation of the Strategic Framework 2014-2020 on the Czech public administration. The evaluation should help form a baseline about the level of EIDM that exists within the public administration – for example, as presented in the results of the Ministry of the Interior's annual report series – that can then be used as a basis to determine the value added of the Concept as it relates to EIDM. It is hoped that these reports are not used as the basis for compliance reporting, however important that may be, but rather as a health check on the implementation of the Concept, unearthing previously unseen potential blind spots and ensuring the continued co-operation and support of all necessary stakeholders.

Assessment of better regulation guidance

As stated above, regulatory management tools, including regulatory impact assessment and *ex post* assessment of regulations, play a strong complementary role to EIDM. RIA is one of the most important tools for ensuring that policies and laws are based on the best available evidence. The current *ex ante* decision-making guidance in the Czech Republic dates from 2016 and covers both stakeholder engagement and RIA (OECD, 2021^[71]). The obligation to carry out RIA is set by the Legislative Rules of the Government (Government of the Czech Republic, 1998^[52]). Detailed guidance is then provided by the General Guidance for Regulatory Impact Assessment.

RIA was introduced to the legislation-making process in the Czech Republic in 2007, after two years of pilot testing. The General Guidance for Regulatory Impact Assessment (*Obecné zásady pro hodnocení dopadů regulace*) was adopted at the same time. At that time, the Ministry of the Interior was responsible for co-ordinating the RIA framework and overseeing the quality of RIAs.

The RIA framework in the Czech Republic was substantively reformed in 2011. The co-ordination competence was transferred to the Office of the Government and a specific body was created to oversee the quality of RIA – the RIA Board (see below).

According to the Legislative Rules of the Government, ministries and other state administration bodies drafting legislation are obliged to carry out impact assessments following the RIA Guidelines. Impact assessments are required for every legislative draft prepared by the government as well as for any secondary regulations with expected substantive costs to businesses, administrations and citizens. Legislation proposed by members of parliament and local and regional authorities is exempted from the obligation to carry out RIA.

The obligation to carry out a RIA is confirmed at the time of the approval of the Legislative Plan of the Government (or a plan of preparation of secondary legislation). Based on the criteria in the Legislative Rules of the Government described above, the drafting authority indicates whether an RIA will be carried out with the draft (i.e. where significant impacts are expected). The RIA Board has an opportunity to comment on the Legislative Plan and indicate cases where its view on the necessity to carry out an RIA differs from that of the drafting authority.

According to the Legislative Rules, for all legislative documents, an overview of impacts should be carried out before a decision is taken on whether the problem at hand can be resolved through regulation. The overview of impacts contains a description of the problem, the objectives of government action, the identification of affected subjects, a qualitative description of potential impacts and a justification that a legislative solution is needed based on a comparison of various alternatives (this, in fact, constitutes a “light RIA” of sorts). Based on the overview of impacts, it is then decided whether a full RIA will be carried out.

According to the RIA Guidelines, RIA should be carried out whenever new, significant impacts on the following are preliminarily identified in the overview of impacts:

- state and public budgets
- administrative burdens on public authorities
- regulatory costs for citizens or businesses
- competitiveness
- economic or legal relations between public administration authorities and/or private subjects.

The guidelines do not specify what is meant by “significant impacts”, which is in line with practice in many other OECD countries. It is left to the discretion of individual ministries to decide what constitutes such impacts. This is why the second opinion and control by the RIA Board at the drafting stage of the Legislative Plan of the Government is crucial in identifying relevant legislative drafts suitable for RIA at an early stage.

Any legislative drafts not included in the Legislative Plan of the Government (or the Plan of Secondary Regulations) must be accompanied by a RIA unless the Chair of the Legislative Council grants an exemption from the obligation to conduct RIA.

RIA is not developed in cases of a Constitutional law, the Law on Budget, in cases of a crisis situation and some other cases where impacts are insignificant or the way of implementation has already been set (e.g. by a higher level legal document or an EU Regulation). The Chair of the Legislative Council might grant an exemption from the obligation to conduct RIA only in exceptional cases. However, the number of exemptions seems to be rather high [113 out of 386 proposals in 2020 (Eršil, 2018^[53])]. In most cases, ministries justify the exemptions for reasons of urgency. In 2021, 72.8% of draft laws, 77.1% of draft government resolutions and 91.7% of ministerial decrees were submitted to the government without an RIA. These relatively high numbers seem to be unjustified, despite the COVID-19 pandemic, during which many regulations were drafted under the emergency procedure.

The Czech RIA system does not have a threshold test to determine whether RIA should be undertaken or whether impacts are estimated to be such that a simplified RIA would be sufficient. This affords the minister significant discretion in determining whether RIA is required for any given regulatory proposal.

The RIA's level of detail is decided by the drafting authority. It should, however, respect the principle of proportionality. The RIA Board then assesses whether the level of detail is proportionate to the potential impacts of the proposal.

According to the General Guidance for Regulatory Impact Assessment, an RIA statement should contain a description of the problem, a justification for the need for a legislative solution, identification of the affected subjects and the results of the consultation. Impacts on the following should be assessed:

- state budgets and other public budgets
- international competitiveness
- business environment
- regions and municipalities
- social impacts
- consumers
- the environment
- gender equality and the non-discrimination principle
- the state statistical service
- corruption risk
- state security and defence.

The guidance is perceived by some civil servants as rather complex and difficult to understand (Office of the Government of the Czech Republic, 2020^[40]).

Methodological assistance in the process of developing individual RIAs might be provided by the RIA Unit, which is also responsible for co-ordinating the RIA process (see the section on regulatory oversight). The RIA Unit also provides comments on the quality of individual RIAs as part of the inter-ministerial comment procedure.

According to the General Guidance for Regulatory Impact Assessment, the final stage of the RIA process should be an *ex post* evaluation of regulatory impacts. The discrepancies between the real impacts and the intended ones should be evaluated at this stage. This evaluation is, however, only carried out very exceptionally due to the lack of enforcement (nobody is checking whether such an evaluation actually took place), lack of demand (nobody is asking for such an evaluation), relatively high resistance among civil servants and a lack of analytical capacities.

According to interviews as well as evaluations conducted by the government and independent think tanks, the quality of RIAs in the Czech Republic is relatively low. RIAs are often processed only formally to justify a decision that has already been taken. One of the biggest challenges is identifying a problem and setting objectives, which are too general. The impacts are often not identified properly and seldom quantified. The alternatives are often selected with minimum differences and non-regulatory solutions are rarely considered [see, for example, Münich (2019^[54]) and Eršil (2018^[53])].

Better using domestic institutions and tools to advance EIDM

The public administration plays a central role in advancing EIDM. In addition to the previously mentioned roles concerning capacities and skills, at a more practical level, the public administration is responsible for generating much of the data that forms the basis for EIDM. However, data cannot be generated if institutions are not in place and relevant tools are not utilised. An evaluation culture is not yet fully embedded in the Czech administration. In particular, although with some notable exceptions, evaluations are generally not conducted, and when they are, their impact is limited as they are not used to help reformulate policies.

A severe lack of evaluation is a critical evidence gap

EIDM is not linear; a decision taken at a single point in time lasts indefinitely. Circumstances change (both unintentionally and unexpectedly), and policies should be periodically evaluated to ensure that they remain in the public interest over time (OECD, 2020^[15]). Some administrative reforms have been called for in the current political climate. However, implementation and follow up have generally tended to be weak within the Czech administration. For example, the vast majority of public strategies do not have an obligation to supply evidence to monitor their implementation. Notwithstanding the general lack of measurement and evaluation across the Czech Republic (see below), some evaluations have been conducted. However, they have tended to be limited to process evaluations, which largely assess whether certain outputs (e.g. reports, etc.) have been delivered on time. Even fewer public strategies have been subject to impact evaluations to assess whether they are delivering as originally intended (see Chapter 2). The OECD heard instances where there was little political appetite to provide any evidence, as a decision had already been taken. On the other hand, some decision-makers were more open to basing their decisions on available evidence (Box 3.10).

Box 3.10. Regulatory impact assessment success story: Gambling Regulation in the Czech Republic

Between the 1990s and 2010s, gambling became a very serious social issue in the Czech Republic, with a steep rise of addictions and sociopathological issues connected to gambling due to, among other things, a large number of casinos and gambling machines, disproportionate to other European Union countries. Regulation from the 1990s did not address those problems at many levels, including municipalities' competences in permitting, the arrival of new technologies, etc.

The situation was perceived as one of the most important social issues by the Czech public; nevertheless, attempts to introduce new regulation failed several times.

The Ministry of Finance started preparing a new Gambling Act in 2014 and decided to work with an expert team including external experts to base the new regulation on available evidence and data. This process led to the approval of the Gambling Act in 2016, which entered into force in 2017.

An EU-funded project supported the regulatory impact assessment (RIA) process to create model *ex ante* RIA that would serve as a best practice example for other ministries. Initially, the project team

faced strong resistance among officials from the Ministry of Finance, but the preliminary results, including the assessment of the social costs of gambling addictions, helped to demonstrate that such analysis can contribute to better results.

One regulatory objective was to reduce the social risks of gambling and their impact. An *ex ante* analysis of the potential impacts of all the identified measures was carried out based on evidence using other countries' experience. A combination of measures was chosen as the preferred solution based on the measurement of impacts, especially in terms of reducing social costs. The quantification included such costs as the financial costs of personal bankruptcy, loss of productivity costs (work, home), unemployment costs (job search), criminality and legal costs (police, court), personal and family costs (emotional costs), costs of medical treatment, etc.

A behavioural insights approach was also used during the process to identify some cognitive biases, such as optimism bias and the illusion of control leading to an overestimation of the probability of success. In addition, experiments were carried out testing individual solutions. It was found that warnings before the game do not affect players' behaviour, but limits (administrative and self-limiting) and notifications of their status during the game do (e.g. reduced bets and increased time between spins).

Many stakeholders were consulted during the process, including gambling providers' associations, non-governmental organisations, municipalities, the financial administration, the addictological community, banks, Internet service providers, the European Commission, etc.

The *ex post* evaluation carried out in 2021 showed that the 2016 gambling regulation is fully functional and fulfils its purpose. Among other things, it also protects players from the risk of gambling addiction due to a number of adopted addictological and self-limiting measures. In addition, the Register of Excluded Persons includes more than 200 000 people. In particular, as a result of the new gambling regulations, the number of slot machines has fallen by 62% since 2017, from 53 554 to 20 269. In the years 2013-14, there were approximately 115 000-130 000 people at high risk of problem gambling. In 2017-19, it was estimated at approximately 60 000-74 000.

Source: Based on a presentation by the Czech Office of the Government at the RegWatchEurope Workshop on Garnering Political Support, Prague, 8 June 2022.

One of the reasons participants suggested that public policy evaluation has not taken off is that undertaking evaluations is viewed as an administrative burden. Given the dearth of public policy evaluations, the wider Czech public administration stands to benefit from the culture and learnt experience of monitoring and evaluations undertaken as part of its membership to the European Union. Specific Czech entities could expand their scope, as has happened in a number of OECD countries, to more systematically embed a culture of review and evaluation across the civil service. The recently adopted OECD Recommendation of the Council on Policy Evaluation calls on member countries to foster a culture of learning and accountability through the promotion of evaluations (Box 3.11).

Box 3.11. OECD Recommendation of the Council on Public Policy Evaluation

The OECD Recommendation of the Council on Public Policy Evaluation calls on member countries to institutionalise public policy evaluation from a whole-of-government perspective. Evaluations should be systematically carried out then used as part of continual improvement in public policy. Fostering a culture of learning and accountability is crucial to promote the necessary demand for, and ownership of, evaluations – both within and outside of the executive.

Evaluations must be actively planned, designed and managed to be timely and proportionate to the intended objectives. In particular, member countries should:

- Plan evaluations early, by building provisions for evaluations into public interventions from the start, to improve their design, collect data on their implementation, and ensure that evaluation results are robust and available in a timely fashion.
- Design and implement evaluations that are proportionate and appropriate for the likely use, by adapting the aim, scope and analysis of the evaluation, and its format and resources, to the needs of its primary users and the types of intended uses.
- Engage relevant stakeholders in the evaluation process from the outset to create ownership for change and trust in evaluation results.
- Build public sector skills for evaluation by conducting regular training; recruiting and retaining employees with the adequate skills; or collaborating with academia, the private sector and other jurisdictions to improve the availability of these skills.
- Ensure the availability of high-quality, timely, accessible, disaggregated and reusable results, performance and administrative data for policy evaluation.
- Provide institutions with appropriate resources to manage, carry out and use policy evaluations.

The necessary institutional arrangements require member countries to:

- Provide guidance on when to conduct evaluations and the type of evaluation needed to adapt their timing to feed into decision-making processes, focus the analysis where it is most needed, co-ordinate efforts for cross-sectorial evaluations and avoid overlaps.
- Incorporate the use of evaluation results into decision-making, including through the policymaking and budgetary processes.
- Establish follow-up mechanisms for decision-makers to respond to the results of evaluations by defining a course of action where relevant and assigning responsibilities for implementing and tracking recommendations.
- Make the result of evaluation findings and recommendations public by default.
- Tailor the way evaluation evidence is presented and communicated to its potential users in terms of timing, communication channel, format and messaging by developing a dissemination strategy.
- Make use of evidence synthesis methodologies to aggregate evaluation findings and systematically assess them.

Source: OECD (2022^[55]).

The creation of a system of public administration measurement and evaluation largely emanated from requirements imposed by the European Commission to access specific funds (see below). As was noted in the Strategic Framework 2014-2020, the Czech Republic did not have a uniform evaluation system of public administration which at regular intervals would provide information about their actual condition, enable a comparison of the respective components, allow for correction in activities relating to the development of public administration and assess the expected development of the public administration (Ministry of the Interior of the Czech Republic, 2014^[31]).

The Evaluation Unit within the Ministry for Regional Development plays a leading role in evaluations throughout the Czech administration. It has produced methodological guidance, which has been supplemented with practical aspects from its annual conference series, along with a repository of evaluations undertaken to date. The conference series is an open way to discuss aspects of evaluations

that have been successful, and to work together to overcome the remaining challenges. It also has a demonstrative effect on the rest of the administration and fosters an environment of shared experiences.

Given the general absence of monitoring and evaluation elsewhere, work was undertaken to devise a methodology for assessing the functioning of the Czech public administration, determine measurement indicators – including through a pilot project – and publish the results under six broad headings via the Ministry of the Interior’s annual reports. The measurement and evaluation system was updated in 2020 and changed some of the measured indicators, albeit under the same six broad headings.

Two challenges were identified for creating the measurement and evaluation system of the Czech public administration. The first related to the unavailability of some data for the purposes of establishing the monitoring and evaluation regime. The second was reluctance by various Czech public bodies to share data across the administration (Ministry of the Interior of the Czech Republic, 2017^[49]). These difficulties resulted in some changes to the indicators that were used to measure the performance of the Czech public administration. As a result, the measurement and evaluation system no longer corresponds as much to principles of general public management but rather strives to set appropriate trends (some with target values) that the Czech public administration should respect and strive to fulfil (Ministry of the Interior of the Czech Republic, 2020^[56]).

One of the starkest results is that less than one-quarter of central state administration bodies consistently apply EIDM principles. The indicator is defined as those bodies that base their policies on proper analytical evaluation, have a data platform for data sharing within the organisation, regularly evaluate policies and strategies under their responsibility, have a functioning analytical team, and organise regular training for analysts (Ministry of Interior of the Czech Republic, 2022^[17]).

Results to date indicate that digital service provision and use are increasing, although data are highly variable depending on the indicator. For instance, digital submissions via the data box increased by nearly 5.5 million between 2019 and 2020 (which amounts to approximately 3 transactions per citizen), whereas two more institutions began publishing open data in the same period, which still only represents a fraction of the total number of government institutions across both levels of government in the Czech Republic.

The indicators currently used to assess the performance of the Czech public administration could be improved. For instance, indicators relate to the number of laws created, amended or repealed. Several methodological issues focus on the volume of laws. First, in any given year, there may be significant external factors that affect the number of laws created, e.g. elections. In fact, the most recent annual report noted a large increase in the number of laws due to the COVID-19 pandemic (Ministry of Interior of the Czech Republic, 2022^[17]). Second, the indicator is open to manipulation. Governments could simply consolidate many pieces of legislation into a single act, such that the number of acts passed would be less. Not only would this yield spurious improvement results, but it may also make it harder for citizens and businesses to locate legal obligations. From an EIDM perspective, a superior indicator would attempt to capture the *quality* of laws rather than the quantity. Any changes to the current set of indicators could potentially benefit from the methodological guidance for indicators, evaluations and publicity (Ministry for Regional Development of the Czech Republic, 2022^[57]).

Under the European Union 2014-2020 programming period, EU member states were, for the first time, obliged to conduct evaluations to assess the effectiveness, efficiency and impact of the objectives of each programme as part of the Cohesion Policy. Cohesion Policy rules apply to the European Regional Development Fund, the European Social Fund and the Cohesion Fund (European Commission, 2015^[58]). As the Cohesion Policy related to a broad range of activities, it follows that evaluations would be similarly broad-based.

To date, the Czech Republic has undertaken 262 evaluations under the European Social Fund as part of the 2014-2020 programme. More than half were implementation or progress related, with 27% being impact evaluations and 19% a mix of the two. Around 70% of the evaluations undertaken to date were

undertaken by private consultants. Not only does this once again highlight a probable lack of analytical capacities to conduct evaluations, it also re-emphasises that such skills are not sought after or rewarded within the civil service. The outsourcing of evaluations also represents a missed opportunity to build and enhance learning capacities within ministries. More broadly, experiences could be widely shared across the administration to help strengthen and reinforce both the learning and technical aspects of conducting evaluations.

OECD research has highlighted the importance of supreme audit institutions in public accountability. However, these institutions have, for some time and in some countries, taken on a broader role more directly linked to decision-making by undertaking performance audits. Through this process, supreme audit institutions can provide insights to improve the functioning of processes and programmes, and foresight to aid governments in adapting to future trends and risks. Such evidenced-based contributions to addressing systemic issues can lead to better policy formulation, implementation and evaluation (OECD, n.d.^[59]). The Supreme Audit Office of the Czech Republic undertakes this role as an important external check on government activity. Its most recent annual report notes a general lack of good design, monitoring and evaluation practices across a broad range of government programmes (Box 3.12). Reforming government programmes helps to ensure that scarce public resources are put to their highest value use. Improving service delivery can significantly strengthen and build resilience in public finances. It can also lead to better user experiences and trust in the regulatory framework.

Box 3.12. The Czech Republic's Supreme Audit Office highlights the lack of evidence-informed decision-making in various government programmes

The Supreme Audit Office noted the following selected issues based on the audits it undertook:

- *Insufficient statistical information for decision-making* – The audit on reducing food waste and the distribution of food to people in need found that the Ministry of Agriculture only kept statistics on the number of projects supported and the amount provided without monitoring the benefits of the distributed aid. The ministry sourced information on the amount of food distributed from food banks. However, the information sources could not inform whether the money was used in the best possible way, as evidenced by the quantified costs of food aid distribution.

Programme design deficiencies

- *An absence of a risk-based approach* – The audit of the Czech Social Security Administration's expenditure on employees carrying out employer inspections was inefficient. The Czech Social Security Administration carried out checks every year on an across-the-board basis instead of focusing primarily on high-risk employers that were not fulfilling their legal obligations. In the audited period, about 76.5% of the performed inspections did not detect any shortcomings, while the total expenditure on these inspections amounted to CZK 1.2 billion.
- *Targets not based on actual need* – An audit into the development and renewal of the material and technical assets of social services facilities found that the Ministry of Labour and Social Affairs set up programmes for establishing new residential beds in such a way that, in some cases, the targets set did not correspond to the actual need. At the end of 2016, for example, there were almost 92 000 unfulfilled requests for placement in new beds, but the ministry set a target to create just 605 additional new beds.

A lack of measurable output indicators

- The audit of the National Strategy of Anti-drugs Policy for 2010-2019 noted that the audited ministries did not set measurable objectives or indicators in the drugs policy programmes

allowing an assessment of their actual benefit, especially as regards prevention, risk reduction and reducing the availability of drugs for young people.

- An audit of the Ministry of Industry and Trade's CZK 75 billion investment incentives for nearly 20 years had no information showing how the investment incentives contributed to the Czech Republic's economic development, even though this was supposed to be their primary purpose.

Source: Czech Republic Supreme Audit Office (2022^[60]).

Over time, linkages could be made with government priorities to ensure that major programmes are subject to adequate monitoring and evaluation. Such evaluations can also form an ongoing series of reference documents for policymakers to learn what policy design and implementation processes worked well and where improvements can be made.

The Czech Republic currently does not conduct budgetary spending reviews. A pilot project carried out between the Ministry of Finance and the OECD identified barriers to more effective implementation of spending reviews in the Czech Republic, coupled with a technical implementation note. The pilot project is expected to be finalised soon and lessons from the exercise are anticipated to be integrated into a broader strategy on spending reviews (Ministry of Finance of the Czech Republic, 2022^[61]). It is expected that a new unit within the Ministry of Finance will soon start undertaking spending reviews. Forthcoming OECD guidance can assist the Czech Republic in its efforts to embed spending reviews across the administration (OECD, forthcoming^[62]). If spending reviews become well-established in the Ministry of Finance, they have the potential to identify issues and improve the effectiveness of government spending. Civil servants should be able to bring to bear the policy learnings from such reviews into policy (re)design and decision-making more broadly. Over time, capacity and experience of conducting spending reviews should grow.

***Ex post* reviews of existing regulations**

As in most OECD countries, reviews of existing regulations in the Czech Republic focused for many years on reducing regulatory burdens. The primary focus was on reducing burdens for businesses. The Czech Republic was one of the first countries to use the Standard Cost Model to measure administrative burdens stemming from regulations across the administration. The project started in 2005 with the goal of reducing administrative burdens for businesses by 20% by the end of 2010. The latest initiative in this regard was adopted by the government in July 2019. The Plan for Systemic Administrative Burden Reduction on business for 2019-2022 contains a list of simplification measures which is updated by ministries on an ongoing basis (it currently includes 196 measures, 110 of which have been implemented).⁴ More recently, the Ministry of the Interior has launched a project on reducing administrative burdens on citizens and public sector organisations. In November 2022, the ministry also suggested abolishing more than 10 000 regulations that are considered to be outdated or obsolete.

Such projects, while useful, are, however, usually not considered as systemic *ex post* reviews of existing regulations, as they do not focus on the actual performance of regulations in terms of achieving their goals. A corollary is that reviews can be used to improve the allocation of scarce resources to worthwhile public activities. Reviews can identify areas of potential public finance savings, for example by adopting a more risk-based approach to compliance and enforcement based on the observed behaviour of market participants. Reviews can additionally identify situations where programmes are no longer in the public interest and make recommendations for improving them, saving financial resources of both governments and regulated entities.

Guidelines on conducting *ex post* assessments in the Czech Republic were published in 2018.⁵ However, they are voluntary, so officials are not obligated to follow them. In practice, evaluations are seldom

undertaken (OECD, 2021^[5]). This is despite the fact that the focus of *ex post* assessments is to review regulations that were subject to *ex ante* RIA. The proportion of regulatory proposals subject to RIA in recent years was around 23% (OECD, 2021^[7]). An *ex post* assessment system based on an obligation to review the same regulations that were subject to *ex ante* RIA is sound, and is also consistent with some other OECD countries' approaches (OECD, 2021^[5]). It ensures that the proposals with the greatest anticipated societal impacts – where those impacts are estimated based on the available information and evidence – are the ones that are assessed *ex post* to determine if the impacts materialised as originally planned. With the relatively high number of exemptions granted from the obligation to carry out RIA, it might be worthwhile to consider introducing a measure to make *ex post* reviews obligatory in cases where such an exemption from *ex ante* evaluation has been granted.

As described above, the government has committed to introducing a framework for systemic *ex post* assessments of existing regulations. The OECD has recently provided detailed guidance to governments about the core points for establishing an *ex post* review framework (Box 3.13). The proposal for such a framework, including necessary amendments to the Legislative Rules of the Government and the General Guidance for Regulatory Impact Assessment, is still being discussed in the inter-ministerial comment procedure. There seems to be relatively high resistance among ministries to introducing obligatory *ex post* reviews. The proposed framework seems to be generally in line with OECD best practice and its adoption would contribute to improving the regulatory framework in the Czech Republic. However, its successful implementation would very much depend on strengthening analytical capacities in the administration, which are crucial for the systemic assessment of existing regulations and policies.

Box 3.13. OECD Best Practice Principles on *Ex post* Review

The overarching principles for *ex post* assessments are that:

- regulatory policy frameworks should explicitly incorporate *ex post* reviews as an integral and permanent part of the regulatory cycle
- a sound system for the *ex post* review of regulation would ensure comprehensive coverage of the regulatory stock over time while “quality controlling” key reviews and monitoring the operations of the system as a whole
- reviews should include an evidence-based assessment of the actual outcomes from regulations against their rationales and objectives, note any lessons, and make recommendations to address any performance deficiencies.

Specific principles relate to:

- system governance
- broad approaches to reviews: programmed reviews; *ad hoc* reviews; and ongoing stock management
- governance of individual reviews
- key questions to be answered in reviews: appropriateness, effectiveness, efficiency and alternatives
- methodologies
- public consultation
- prioritisation and sequencing
- capacity building
- committed leadership.

Source: OECD (2020^[15]).

All countries' RIAs focus on the marginal effects estimated to emanate from specific regulatory proposals. However, this means that the system-wide or cumulative impacts from multiple regulatory proposals are often overlooked. Addressing cumulative impacts will become increasingly important given the cross-cutting nature of legislation and the degree of interconnectedness, both domestically and internationally (OECD, 2019^[63]). Cumulative impacts can arise both from within and outside the country, and this is particularly important for the Czech Republic as a country with national, regional and municipal levels of government that is also a Member State of the European Union. Well-designed *ex post* assessment systems provide opportunities to not only assess cumulative impacts, but also to identify potential overlaps and duplication across regulatory areas and levels of government.

Regulatory oversight

Regulatory oversight is a critical component of a well-functioning regulatory system (OECD, 2021^[65]). It is perhaps unsurprising that there is currently no regulatory oversight of *ex post* assessments in the Czech Republic given its current *ad hoc* nature. As the evaluation system matures and capacities further develop, it will become increasingly important to ensure that evaluations are robustly conducted and subject to appropriate scrutiny as to their quality.

In the Czech Republic, an independent watchdog – the RIA Board – is responsible for overseeing the quality of RIAs produced by individual ministries and other agencies with competences for drafting legislation. The RIA Board is one of the nine Commissions of the Legislative Council of the Government. The Legislative Council of the Czech Government is an advisory body of the Government for the Government's legislative work. Members of the Council, as well as of the RIA Board, are external experts performing their work for symbolic compensation. They are nominated by the Minister responsible for the work of the Council. In the case of the RIA Board, there are no set rules on how members of the Board should be selected. In practice, they are chosen largely based on their expertise or the body they are representing, but there are no clear criteria on which interests should be represented and balanced in the board membership. Also, there is no formal procedure for replacing inactive members of the Board unless they step down.

The Legislative Council is responsible for assessing the quality of legal norms before these are submitted to the government for discussion/approval. The primary focus is, however, mainly on constitutionality and compliance of the norm with other existing domestic legal documents, international treaties and the EU law. The Council also evaluates the linguistic quality and coherence, the use of plain and understandable language, etc. The Council issues a formal statement, which is then submitted to the Government session together with the draft of the legal norm. It should reflect the discussion at the meeting of the Legislative Council and reflect comments of all Commissions of the Council, including the RIA Board.

The RIA Board looks specifically at the quality of individual impact assessments and their compliance with the RIA Guidelines in case of legislative drafts prepared by the executive (ministries and other state administration authorities with the power to draft legislation). The individual drafts are, with exceptions, discussed at the meetings of the RIA Board with the presence of representatives of the responsible authority (e.g. ministry) submitting the legislative draft. The Statement of the RIA Board is then communicated to the responsible authority and presented to the Legislative Council. The RIA Board's opinion is not binding for the Legislative Council or for the government itself. It is, therefore, not exceptional that a legislative draft is approved by the government despite a negative statement from the RIA Board.

There are four types of conclusions made by the RIA Board in its opinions. The RIA Board recommends to the Legislative Council to:

- Recommend to the Government to adopt the proposal
- Recommend to the Government to adopt the proposal after implementing changes suggested by the RIA Board

- Interrupt the discussion on the draft and to recommend amending the report following substantive comments by the RIA Board
- Recommend to the Government not to adopt the proposal given the substantive comments made by the RIA Board.

In addition, based on a request by a drafting authority, the RIA Board might provide advice to the responsible ministry on how to develop individual RIAs. This advice is not binding for the assessment by the RIA Board. The RIA Board is not expected to comment on the substance of the legislative draft, only on the quality and completeness of the accompanying analysis of impacts. This practice is similar to other regulatory oversight bodies in OECD countries.

An important change to the RIA oversight process was made in 2016 by amending the Legislative Rules of the Government. First, the RIA Report is no longer an integral part of the substantive intent of the law, the justification report or the justification (in case of a bylaw) as it was the case before. The RIA report has become a separate document which is still part of the dossier that is submitted to the government. In addition, the RIA Board Statement is now only reflected in the final statement of the Legislative Council (or its chair). Before 2016, it was published as a separate annex to the Legislative Council Statement. The last (and maybe the most important) change is the fact that, in case of a recommendation made by the RIA Board to amend the RIA report, the submitting authority is not obliged to amend the report and resubmit it for another round of discussion at the RIA Board meeting. This has led to a situation where submitting authorities do not feel a need to amend the RIA report, even in cases of negative opinions of the RIA Board and therefore the Board's opinions being taken less seriously. As shown by Eršil (2018^[53]), the number of RIAs that were resubmitted to the RIA Board after a negative statement dropped significantly after 2016. (In 2016, it was 6.1 times less than in the previous year; only one RIA was resubmitted in 2017 out of 9 with a negative statement and 8 statements recommending changes.) The RIA Board, therefore, doesn't have an opportunity to evaluate the quality of final RIAs, even if they are redrafted. Research also shows that the number of RIAs that are redrafted following the recommendation of the Board has dropped as well, as the authorities do not feel the pressure of the RIA Board potentially stopping the legislative process (Eršil, 2018^[53]).

The RIA Unit at the Office of the Government consists of seven civil servants who analyse RIA reports submitted by lawmakers before forwarding them for further scrutiny by RIA Board. The RIA Unit provides methodological guidance and organises workshops and seminars for civil servants who prepare impact assessments. It also runs the website ria.vlada.cz with all the documents and information lawmakers need to successfully prepare a RIA. However, according to a recent survey (Office of the Government of the Czech Republic, 2020^[40]), 30% of respondents (those responsible for drafting RIAs) do not have experience receiving feedback from the RIA Unit and 30% evaluate this feedback negatively. This might be due to the lack of capacities of the Unit as well as the lack of downstream engagement by the RIA Unit experts with the ministries already at the stage of drafting legislation where it could proactively offer assistance with the RIA process.

Recommendations

Improving the institutional arrangements for EIDM

- **Develop analytical capacities in the centre of government as well as in line ministries.** The newly created VAU can be used as a basis for the central unit, assuming it will be properly staffed with a sufficient number of skilled analysts. In the medium term, analytical units should be created in all ministries through hiring and training following the plan set in the 2030 Strategic Framework for the Czech Republic.

- **Make use of external scientific institutes, think tanks and ministries' research institutes.** The VAU and analytical units in line ministries should map what kind of internal and external analytical bodies, including research institutes and think tanks, are available in their field of competence. Those capacities should be better exploited by strengthening co-operation with such bodies, e.g. through research grants.
- **Incorporate public access to data into the current government proposal on public data management, building on open data principles.** Data should, wherever possible, be open and designed with sharing and interoperability (including with data outside of government) in mind. Implementation should include monitoring, such as usage statistics and metrics in the state of the public administration annual reports.

Increasing EIDM in the Czech Republic

- **Ingrain EIDM better in the public administration.** The Office of the Government could take a co-ordinating role to ensure EIDM principles are put into practice throughout the public administration. Political commitment will be an important signal to ensure that civil servants view EIDM as an integral part of their work. Analytical capacities across the Czech administration need further investment for EIDM to flourish. A co-ordinated approach will be required from all relevant bodies.
- **Strengthen the role of RIA in the regulation-making process.** Reinforce regulatory oversight of adherence to the current guidelines by strengthening the role of the RIA Board. Re-establish the statements of the RIA Board as a separate annex to the statement of the Legislative Council. An obligation to redraft a RIA after a negative statement of the Board should be reintroduced. An option of making the RIA Board independent from the Legislative Council could be considered. Publish ministerial decisions in determining whether regulatory proposals are required to be subject to RIA with reasons for exempting proposals from RIA. The RIA Unit in the Office of the Government should also function as a secretariat to the RIA Board, pre-screening legislative proposals submitted to the government at the stage of the inter-ministerial comment procedures and identifying the most problematic ones for the attention of the Board, helping to organise the work of the Board, etc. Regularly adapt the RIA processes and methodologies to reflect long-term societal challenges (e.g. sustainable development and climate change, innovation, just digital transformation, etc.).
- **Establish systematic monitoring and evaluation of government interventions as a core part of the public administration to understand what has worked, what has not and share practices across government.** Building on work undertaken under the guises of the European Social Fund, general guidance should be provided to the public administration that can then be supplemented by entity-specific material if necessary. The production of the guidance could be jointly led by the Ministry of the Interior and the Office of the Government, which would be jointly responsible for implementing, monitoring and reviewing it. Additionally, political support and appropriate resourcing are needed to ensure that an evaluation culture permeates throughout the administration. Review the appropriateness of indicators selected for the state of the public administration by the Ministry of the Interior to ensure, wherever possible, they are based on outcomes and do not overlap.
- **Build a central interactive consultation portal where all members of the public can comment on draft regulatory proposals.** Over time, the platform should be expanded to inform stakeholders of forthcoming consultations and be used for early-stage consultations. eKlep can be used as a basis for such a platform. Undertake training to improve the consultation culture and willingness to engage with affected stakeholders. Strengthen oversight over compliance with government guidelines for public consultations. Such a specific role could be given the newly

established Council for Citizens and Stakeholders Participation and the RIA Board should promote the consultation culture as part of overseeing the quality of the RIA process.

- **Make guidance on conducting ex post assessments mandatory for all officials.** Over time, the *ex post* assessment system should include an oversight function and expand beyond its current scope to ensure that cumulative impacts can be meaningfully assessed.

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Notes

¹ See Government of the Czech Republic (2016_[13]) and Ministry of the Interior of the Czech Republic (2010_[64]).

² According to a definition used by the Slovak government, such units should provide “analytical services to the management of its institution, so it would be able to make decisions that would be based on data and their analysis in case of sectoral and cross-cutting policies” (<https://www.mfsr.sk/files/archiv/78/Methodika-budovania-analytickych-kapacit-v-statnej-sprave.pdf>).

³ See the section on regulatory management tools.

⁴ <https://www.mpo.cz/assets/cz/podnikani/regulace-podnikani-a-snizovani-administrativni-zateze/snizovani-administrativni-zateze-podnikatelu/2022/11/Zprava-o-vyvoji-PP-2021.pdf>.

⁵ <https://ria.vlada.cz/wp-content/uploads/Methodika-prezkumu-ucinnosti-pravnich-predpisu.pdf>.

4 Public Administration at the Local and Regional Level in the Czech Republic

This chapter assesses how the public administration works at the regional and local levels in the Czech Republic and suggests ways to improve its effectiveness, including multi-level governance mechanisms to support more efficient policy delivery. For this, the chapter describes the subnational governance structure and the system of the delegation of competences. Considering the strong administrative fragmentation at the local level, the chapter focuses particularly on inter-municipal co-operation, co-ordination among levels of government and strategic planning practices at all levels. The chapter also assesses subnational governments' capacity and their ability to engage local stakeholders.

A complex multi-level governance system

After 1989, the Czech Republic transitioned from a centralised system towards a decentralised system of self-governing subnational governments. Since the change in the political regime in 1989, the Czech Republic has undergone several changes to its territorial administrative structure (Box 4.1). As of 2022, the country has a two-tier subnational system, that was established in 2003, with 6 254 municipalities (*obce*) and 14 regions (*kraje* – 13 regions and the City of Prague). At the regional level, the regional assembly (*zastupitelstvo kraje*) is each region's elected deliberative body. The regional assembly approves the region's budget and grants to municipalities (for amounts over CZK 200,000) and can also submit draft legislation to the national chamber of deputies. The regional committee (*rada kraje*) represents the region's executive body and is composed of the president (*hejtman*), vice-presidents and other members elected by and from within the regional assembly for four years. It is assisted by a regional authority led by a director. At the local level, the municipal council (*zastupitelstvo obce*) is the municipality's deliberative assembly and is composed of members elected by direct universal suffrage for a four-year term. The members of the municipal council elect (from within the municipal council) the members of the municipal committee (*rada obce*), which is the executive body of the municipality. The mayor (*starosta* in smaller municipalities and *primátor* in statutory cities), who is the head of the municipal committee, is also elected by the municipal council from among its members for a four-year mandate.

The capital City of Prague has a unique dual status as both a region and a municipality. Prague has 57 self-governing city districts (boroughs) with their own elected local authority and council. In addition, since 2003 (Decree No. 346/2020), Prague is divided into 22 administrative districts. The central Prague municipal government level decides, on the basis of the generally binding Decree No. 55/2000 Coll., which responsibilities are decentralised to boroughs. For example, Prague municipality owns real estate but decentralises the management of certain properties, such as public housing, to boroughs. Urban planning, on the other hand, is done at the central municipal level (OECD, 2018^[1]). The board of the capital City of Prague is the executive body for independent or autonomous competences (see below).

There are different categories of municipalities, dependant on their size. In 2021, the municipal level comprised 6 258 municipalities of several categories, 604 cities/towns (*město*), 26 statutory cities (*statutarní město*) and 223 market towns (*městys*). If a municipality reaches the threshold of at least 3 000 inhabitants, it can apply for the status of a city, which is approved and determined by the chairman of the Chamber of Deputies of the Parliament of the Czech Republic following the government's statement (Ministry of the Interior of the Czech Republic, 2018^[2]). There are specific criteria for a municipality to be designated as a city. For example, it must have a concentrated urban area in the centre, and a greater part of the municipality must be equipped with public water sewage systems, among others. Still, there are around 200 cities with less than 3 000 inhabitants, as historically, before the 2001 resolution, the criteria for being designated as a city were simpler (Ministry of the Interior of the Czech Republic, 2018^[2]). Statutory cities have a special status granted by Act No. 128/2000, allowing them to define their own charter and internal organisation. In particular, they are free to establish districts at the sub-municipal level with their own mayor, council and assembly. It is worth noting that, independently from the category, cities/towns, statutory cities and market towns exercise the same range of autonomous competences (see below).

Box 4.1. From a centralised regulation towards a decentralised territorial organisation in the Czech Republic

The Czech Republic has a long tradition of self-government, dating back to the old administrative feudal system (Plaček et al., 2020^[3]). Before the change of the Czech political regime in 1989, the country had a three-tier centralised system of planning and organisation, with regions, districts and municipalities. After the Velvet Revolution in 1989, a series of discussions led to a shift away from the three-tier centralised system, introducing changes to the number of units; their names, powers, relations with the central authorities; and how to structure regional competencies.

The first wave of administrative reforms was mainly focused on creating self-government. In 1990, the Constitution recognised the right to self-government of the local communities and defined municipalities as the basic structure of the new local self-government (Constitutional Law No. 294/1990). Some state powers were slowly delegated to municipalities and the first municipal elections were held in 1990.

Law No. 369/1990 Coll., on Municipal Administration from 1 January 1991 (currently the Law on Municipalities 128/2000 and the Law on the Capital Prague 131/2000) established self-governing municipalities, with the same administrative boundaries as the previous local administrative units. The law provided them with a high level of independence. Within the limits set by the law, municipalities have their own budgets and assets and independently manage them. Law No. 369/1990 did not specify any constraints or limits for establishing a new municipality (e.g. minimum number of inhabitants, size of the territory, etc.). As a result, between 1990 and 1993, the number of municipalities increased by 50% compared to before the Revolution.

In the 2000s, another important wave of reforms took place with the creation of self-governed regions. While the 14 self-governing regions were created by law in 1997, the *de facto* establishment of autonomous regions only occurred in 2000, with the adoption of other laws governing the position of regional governments. Regions were established and recognised as higher territorial self-governing units in part to take over responsibility for European Union (EU) policy implementation. To complete these regionalisation and decentralisation processes, a reform, effective since January 2003, replaced district offices by municipalities with extended competences (see below), which took over most of their functions. The old districts still exist as territorial units and remain as seats of some of the offices, especially courts, police and archives. The Act on Territorial Division of the State, passed in 2020 and effective since 2021, aims to simplify the system of state territorial administration by completing the transition from the system of districts to the delegation of functions at the municipal level (OECD-UCLG, 2022^[4]).

Since 2015, a process of recentralisation has been taking place to overcome the high levels of fragmentation. Some municipal responsibilities have been transferred from small municipalities to larger ones (to overcome municipal fragmentation) as well as to the central government in the framework of the social reform.

Sources: OECD (2017^[5]); Plaček et al. (2020^[3]); OECD-UCLG (2022^[4]).

The allocation of responsibilities to local governments is complex, with asymmetric delegated competencies among three types of municipalities. The Czech public administration operates as a combined or mixed model of public administration. This means that the state administration is exercised not only by the state, but also by territorial self-governing units – the municipalities and regions. Thus, municipalities and regions exercise both their own or autonomous competencies (self-government) as well as competencies delegated by the central level (state) – the delegated powers. While the autonomous competencies are the same for all municipalities, and municipalities enjoy a high degree of autonomy for executing them, depending on their size and capacity, the delegated powers transferred to them by law by the central level differ, as set by Article 105 of the Constitution. There are three categories of municipalities, which vary according to the extent of delegated competences. At the upper level is a network of 205 municipalities with “extended powers” that fulfil several administrative functions delegated by the central government on behalf of smaller surrounding municipalities (e.g. civil registers, issuance of identity cards and driving licences; co-ordination of the provision of social services). At the intermediate level, 388 municipalities (including 205 municipalities with “extended powers”) with an “authorised municipal authority” perform delegated functions, but on a smaller scale (e.g. building authority, registry office, social assistance, administration of war graves, specific agenda on environment and agriculture). At the lower level, municipalities have basic delegated powers (e.g. elections, population records, water management). Smaller municipalities can also delegate additional functions to the municipalities with “extended powers” or municipalities with designated municipal authority by public law contracts if they do not want or cannot provide them due to a lack of capacity (OECD-UCLG, 2022^[4]).

This complex system results in some overlaps in the allocation of responsibilities and calls for strong co-ordination among levels of government (Table 4.2). This is the case, for example, in waste management, where the national level prepares legislation and national plans, regions have their own regional plans, and municipalities implement them. Indeed, municipalities have only a small range of purely local competencies established by law, such as property management, the establishment of nurseries and primary schools, or sidewalk cleaning. Since most responsibilities are shared, it is crucial to establish vertical co-ordination mechanisms to manage those joint responsibilities (OECD, 2019^[6]) (see below). However, given the high number of local self-governments, this vertical co-ordination represents a significant challenge for the country. This is why the central public administration tends to only work with the largest grouping of municipalities (Type III, 205 municipalities) when organising and monitoring the provision of delegated powers.

While the system appears complex, the asymmetry has allowed adapting to the very different local realities and facilitated the proximity between citizens and the public administration. The Czech public administration and citizens have gradually learnt to navigate within it. The asymmetry has allowed responding to the specific characteristics of small units, which have very different realities. This, in turn, has enabled the Czech administration, via local governments, proximity to citizens, who have a personal and direct relationship with mayors and elected representatives. This proximity between the public administration and citizens might play a role in the high trust gap between local/regional and national authorities: in the Czech Republic, while trust in national government only reaches 30%, trust in regional and local public authorities is 57%, according to the Eurobarometer (European Commission, 2022^[7]).

Table 4.1. Different types of municipalities in the Czech Republic and their own and delegated competencies

	Type I: Municipalities with basic delegated powers (6 258)	Type II: Municipalities with authorised municipal authority (338)	Type III: Municipalities with extended powers (205)
Autonomous powers	Management of municipal property and issuance of generally binding decrees Territorial and regulatory plan of the municipality Establishing/regulating local fees Creating and managing nursery and primary education, basic art education		
Delegated powers	<ul style="list-style-type: none"> Ensuring elections Population records Water management Local roads office 	Type I + Type II competencies plus: <ul style="list-style-type: none"> Building authority^{1,2} Registry offices¹ Selected environmental and agricultural agenda Social work provision Overlooking war graves 	Type I + Type II competencies plus: <ul style="list-style-type: none"> Law enforcement offences Road authority Issuing identification cards (driver's license, trade license) and travel documents Management and co-ordination of motor vehicle and population registries Co-ordination of social services provision

Notes:

- Some of the municipalities with basic delegated powers have this responsibility.
- Currently going through reforms to move the authority away from the lower level municipalities to become a competency of the municipalities with extended powers.
- Reforms to expand the number of municipalities with authorised municipal authority.

Source: Author's elaboration based on OECD (2020^[8]).

Table 4.2. Distribution of power between different levels of government in the Czech Republic

	Legislation	Regulation	Funding	Provision
Defence	• Central government			
External affairs				
Internal affairs				
Justice			• Central government	• Central government
Finance/tax				
Economic affairs				
Environmental protection		• Regional government • Local government	• Central government • Local government	• Central government (some) • Regional government • Local government
Public utilities		• Regional government (road infrastructure, co-ordination of transport) • Local government (road infrastructure, transport)	• Central government • Regional government (infrastructure) • Local government (road infrastructure, transport)	• Central government (post services) • Regional government (road infrastructure) • Local government (road infrastructure, transport)
Social welfare		• Regional government (co-ordination of social services) • Local government (social protection of children)	• Central government • Regional government (social services) • Local government (social services)	• Central government (allowances) • Regional government (social premises and services) • Local government (social services)
Health		• Regional government (hospitals)	• Central government • Regional government	• Central government • Regional government

	Legislation	Regulation	Funding	Provision
		<ul style="list-style-type: none"> Local government (primary care) 	(hospitals) <ul style="list-style-type: none"> Local government (primary care) 	(some) <ul style="list-style-type: none"> Local government (primary care)
Education		<ul style="list-style-type: none"> Regional government (secondary) Local government (primary) 	<ul style="list-style-type: none"> Central government Regional government (secondary) Local government (primary) 	<ul style="list-style-type: none"> Central government Regional government (secondary and some special school facilities) Local government (primary)
Science and research			<ul style="list-style-type: none"> Central government 	<ul style="list-style-type: none"> Central government

Source: Authors' elaboration based on: <https://op.europa.eu/en/publication-detail/-/publication/251c368a-960c-11e8-8bc1-01aa75ed71a1/language-en>.

Regional governments also have autonomous and delegated competences. Regional governments were established by Constitutional Law in 1997 (Act 347/1997) but acquired actual competences in 2000 by Regional Act No. 129/2000, which transferred a series of responsibilities to the new entities. The act entered into force in 2003, after creating the conditions for the regions to function effectively. Regions are responsible for several functions related to the development of their own territory; for example, they approve planning and zoning documents and are responsible for regional economic development and environmental protection. They are also responsible for regional transport. They can establish measures to develop regional tourism. In some instances, regions and municipalities bear responsibilities for the same policy areas; however, their competencies are divided between the funding of programmes and overarching policy in the case of regions, and the delivery of services in the case of municipalities. For example, regions fund sports activities, but municipalities deliver them (OECD, 2017^[5]).

Ensuring the successful implementation of multi-level governance reforms

The Czech Republic has made important efforts to enhance the efficiency of the public administration system. The current public governance reform agenda, known as the Public Administration Reform (PAR) Strategy: Client-oriented Public Administration 2030 (Government Resolution No. 562/2020), is a step in the same direction, by enhancing the efficiency of the public administration system (see Chapter 2 for more details on the PAR). One of the strategy's key objectives is to improve the accessibility and quality of public services. For this, it considers that only municipalities with sufficient personnel and expertise should exercise delegated powers. To achieve this objective, the strategy contemplates the definition of a new structure of delegated powers by transferring some of the competencies of delegated powers to the Type II municipalities, at the same time, the number of Type II municipalities will increase. With this reform, the Czech public administration aims to ensure sufficient and more efficient service delivery and reduce the administrative burdens of the smallest municipalities. Still, it is important to mention that efforts to decentralise or recentralise responsibilities are dependent on the government of the day.

Box 4.2. The Czech Client-Oriented Public Administration 2030 strategy

The Client-Oriented Public Administration 2030 strategy is the current reform framework in the Czech Republic. It aims to reform the Czech public administration through its vision statement, “in 2030, the public administration will be as client-oriented as possible and will thus contribute to further increase the quality of life of the citizens and the growth of the prosperity of the Czech Republic”. The strategy looks to improve how local public authorities manage public administration and how it is accessed and perceived by the Czech population. The reform strategy has five main goals: 1) accessible and quality public services; 2) efficient system of public administration; 3) effective public institutions; 4) qualified human resources; 5) informed and engaged citizens.

Accessible and quality public services

Under this goal, the Czech Republic looks to improve the availability of public services online and in line with the Digital Czech Republic Strategy. Czech authorities are also looking to reform the current system of municipal delegated powers by placing more municipalities under the Type II list of competences. It aims to improve the overall efficiency of the public administration in the Czech Republic

Efficient system of public administration

This objective looks to make the public administration much more efficient by introducing a new Competency Law. There is also an expectation to remove the various “duplications” or overlaps of competences that exist in the state administration. To improve efficiency, the reform aims to improve horizontal co-operation between its municipalities and between the bodies of the central state administration. The management of public funds is also expected to be improved and the Czech environment for innovation and the development of artificial intelligence enhanced.

Effective public institutions

Under this goal, the Czech Republic will create analytical teams to support evidence-informed decision-making in the public administration. There will also be stronger awareness of sustainable development for civil servants and in the state subsidy policies. To increase the efficiency of public institutions, more emphasis will be placed on implementing effective strategic management and systemic approaches to quality management.

Qualified human resources

This objective is to improve the human capital of elected representatives and officials at the subnational level. To attain a minimum level of expertise in the municipal and regional civil service, the goal is to improve and modernise civil service education in the country by introducing modern tools for educating the civil service. Within the new training programme, the Special Professional Competence exam would be simplified and focused on the professional activities of officials of territorial self-governing units. The control of the training process would also be strengthened while maintaining state supervision.

Informed and engaged citizens

The strategy highlights the decreasing interest in political participation, which is evidenced by voter turnout and political party membership. To combat this dynamic, the Czech strategy looks to boost citizen awareness of the functions of the public administration through enhanced communication

methods. The central government is also looking to improve the Czech population's awareness of the public administration's functions to improve the perception of the public administration.

Source: Ministry of the Interior of the Czech Republic (2022^[9]).

Building consensus and buy-in from different stakeholders is crucial to implement the reforms successfully. The Czech Republic has a history of strong centralisation – before the Velvet Revolution, power was concentrated at the central level. The decentralisation efforts of the last years are thus viewed as a step forward in ensuring proximity with citizens and for policy implementation that responds better to local needs. As is the case in several OECD countries, recentralising some responsibilities is generally met with pushback from municipal associations and representatives. Indeed, multi-level governance reform processes often stall, fail and may be cancelled, postponed or even reversed. They may not go according to plan, and may be only partly implemented, adjusted or even circumvented during the implementation phase, without producing instant results or the expected outcomes. This is why it is crucial to accompany multi-level governance reforms with the appropriate consultations, negotiations and communication efforts to gain support from local actors and civil society (Box 4.3).

Box 4.3. Key elements to ensure successful multi-level governance reforms

Multi-level governance reforms are particularly sensitive and difficult to conduct. These reforms are complex, as they involve several layers of government and refer to reshaping vertical and horizontal interactions between the central government and subnational governments, and also within subnational governments. They concern elected politicians and civil servants from central and subnational levels, as well as various other stakeholders, who sometimes have conflicting interests. In addition, gaining public support is often a challenge. There is either a lack of social demand from citizens or a lack of interest or, when they do express interest, public resistance is still often observed. Reforms tend to be perceived as threats to the existing social order and a risk of loss compared to previous situations, as witnessed by the failure of institutional and territorial reforms (e.g. municipal mergers, regional reforms and decentralisation).

Reshaping the multi-level system of government takes a long time and may need to be adapted. To generate the expected benefits, additional and complementary reforms are often needed to correct for potential deviations and improve multi-level governance mechanisms. Moreover, this is a never-ending process: the challenge of multi-level reforms is not merely to adapt to a new, stable and definitive situation, but to enable public administration at all levels of government to adapt continually to a permanently evolving environment.

OECD countries have adopted a diverse set of strategic levers to enable the successful implementation of multi-level governance reforms. Some of these levers are:

Pilot programmes, experiments and place-based approaches can demonstrate the effectiveness of reforms and pave the way for change on a larger scale.

Development of a multi-level co-operation culture and practice, wide-reaching consultations and negotiations at a preliminary stage and during the whole reform process to overcome opposition from local governments. Beyond organising consultations, multi-level governance reforms can be facilitated by associating local governments with the reform design and implementation, through negotiations with local associations and/or *ad hoc* commissions, at a preliminary stage and during the whole process. Other tools can be mobilised to “compensate losers” and offer trade-offs, such as temporary transition funds or mechanisms in the case of fiscal reforms, fiscal incentives, provisional guarantees or political compensation. Associations of subnational governments are essential to public administration reform

processes, as these intermediation bodies regroup information and provide stable negotiating partners for the government, hence helping to reduce substantial information asymmetries and high transaction costs.

Ensuring good communication practices, incentives, compensation and training activities to mobilise and generate acceptance from central and local civil servants. As decentralisation reforms affect central government structures at ministerial and self-governing units' levels, they can be perceived as a threat (loss of power and jobs) and there may be resistance. Difficulties can also arise from local civil servants, hence generating opposition to the reform. This dimension is key and should be addressed with appropriate responses.

Establishing expert committees to reach greater political adhesion across party boundaries. This may be especially crucial to keep the momentum for reform going despite changes in government. Parliaments may have an essential role to play in this respect to reconcile different points of view and reach a consensus between different stakeholders. *Ad hoc* parliamentary committees to consult, prepare and monitor the progress of reforms can be key success factors. Such approaches can also include consultation through permanent multi-level co-ordination commissions or forums or the reliance on *ad hoc* expert advisory committees.

Providing expertise, guidelines, technical support and prefiguring tools to local governments and stakeholders in the context of the reform can help to achieve its objectives. In contrast, a lack of guidance from the central government has been identified as a problem in several countries.

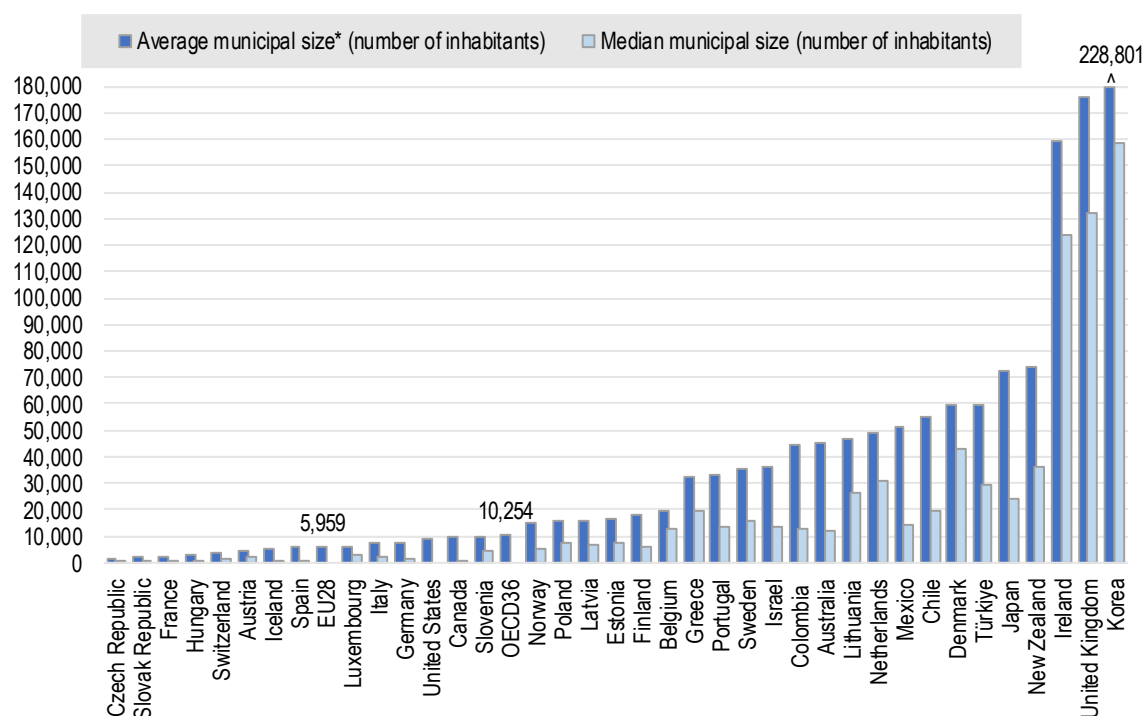
Sources: OECD (2017^[10]; 2017^[11]).

Enhancing inter-municipal co-operation to foster efficiency in the regional and local public administration

A highly fragmented territorial organisation affects public services and investment efficiency

The Czech Republic's administrative organisation is highly fragmented, with a large number of very small municipalities in terms of area and population. This is due to a law passed in the early 1990s that enabled municipalities to split. In 2020, the average municipal size was the smallest among OECD countries (1 710 inhabitants per municipality on average), well below the OECD average of 10 250 and the EU average of 5 960. While the median size of Czech municipalities is 442 inhabitants, 95.7% of municipalities had fewer than 5 000 inhabitants and 88.6% had fewer than 2 000 inhabitants in 2021. The average municipal area is also the lowest in the OECD: on average, Czech municipalities have an area of 13 km² compared to 234 km² on average across the OECD. In the 1990s, and contrary to many OECD countries where mergers have been the rule, municipal fragmentation in the Czech Republic sharply increased – from 4 100 municipalities in 1990 to 6 230 in 1994. In 2000, the rising fragmentation ended with the 2000 Act on Municipalities, which introduced a requirement of having at least 1 000 inhabitants to create a new municipality and includes an option for voluntary municipal mergers, but without any concrete incentive for municipalities to do so. To minimise the effects of municipal fragmentation, the 2000 Act on Municipalities also promotes inter-municipal co-operation through public contracts for performing certain functions and voluntary municipal associations.

Figure 4.1. Average and median municipal sizes in the OECD and European Union, 2020



Note: Average calculations are based on population data as of 2019. Calculations do not comprise Indian Reserves and unorganised territories for Canada, Indian reservations areas for United States and French Guyana for France. For Türkiye, average and median municipal sizes exclude metropolitan municipalities in order to avoid double counting.

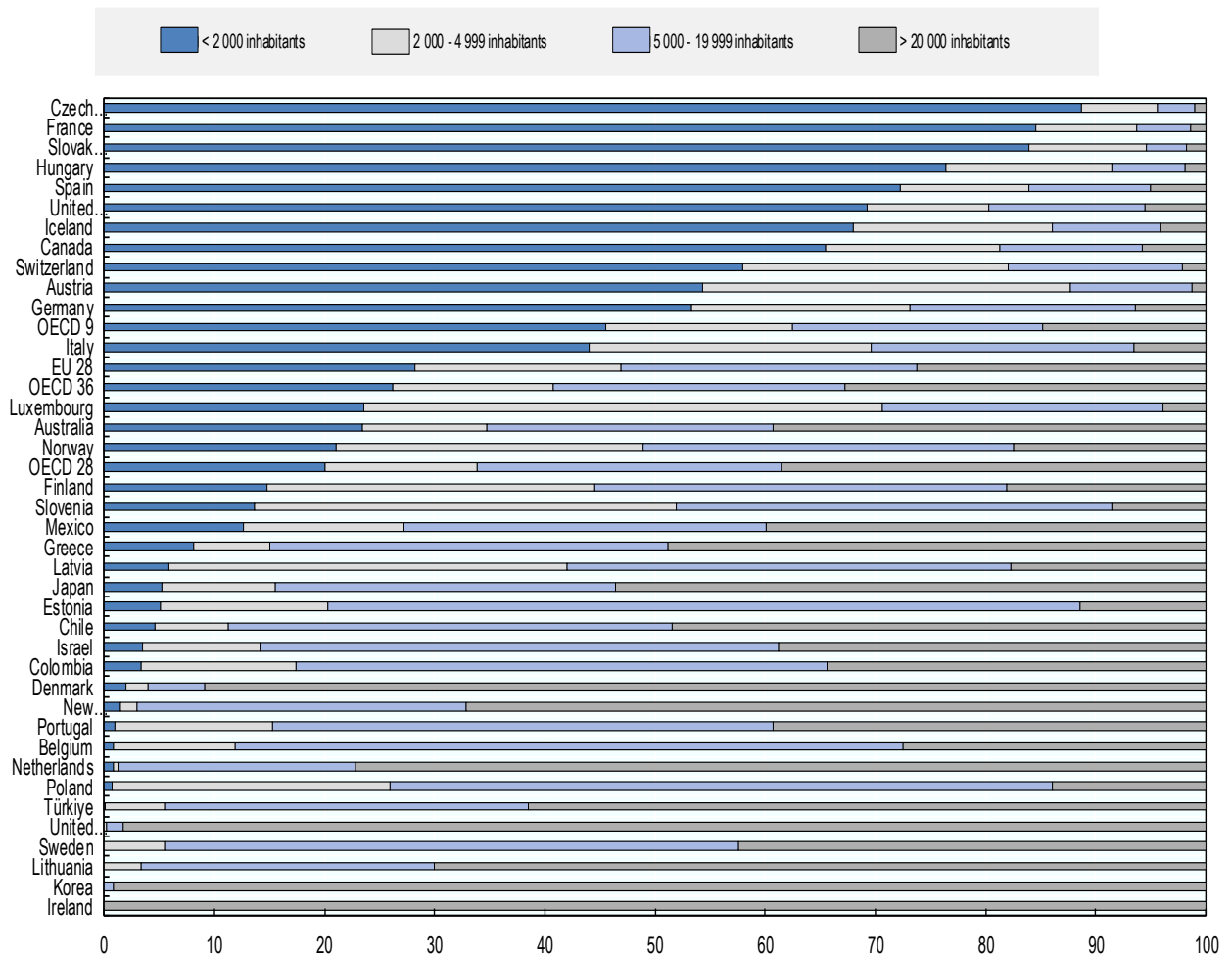
Source: OECD (2021_[12]).

Czech regions are also small by international standards. The average size of Czech regions is 2.5 smaller than the average size of the EU28 NUTS 2 regions in terms of inhabitants and 4 times smaller in terms of area (Ministry of the Interior of the Czech Republic, 2018_[2]). Only 3 of the 14 regions are large enough to be qualified as NUTS 2 regions for EU regional funding purposes (Prague, Central Bohemian and Moravian-Silesian region). The remaining 11 regions are NUTS 3 regions which, for statistical purposes, are joined to form 5 additional NUTS 2 regions (OECD, 2020_[8]). It is for this reason that the Czech Republic has created “association of regions” at the NUTS 2 level, which are purely statistical units. The creation of cohesion regions has added some complexity to the functions of public administration systems and policymaking (OECD, 2020_[8]).

The administrative fragmentation resulting in many small municipalities affects the cost efficiency of public service delivery. Due to the strong administrative fragmentation, most Czech municipalities are too small to ensure a cost-effective provision of public services (OECD, 2018_[1]). Indeed, as has been highlighted by previous OECD work, international evidence suggests a U-shaped relationship between the costs of providing services and the size of municipalities (OECD, 2020_[8]). In Spain, for example, per capita total expenditure has been estimated to be 20% higher in municipalities with 1 000 inhabitants compared to those with 5 000 inhabitants; in Switzerland, costs have been found to be higher and service quality lower in municipalities with less than 500 residents (OECD, 2020_[8]). In addition, in the Czech Republic, many of these small municipalities are remote and sparsely populated, increasing even more the cost of public service provision (OECD, 2017_[13]). The costs of providing services in places with smaller and more

dispersed populations are higher due to lower economies of scale and scope, higher transportation costs, and potential financial incentives for service professionals (OECD, 2021^[14]). In addition, the population tends to be older in rural areas compared to cities, requiring different and potentially more expensive public services, as has been further revealed during the COVID-19 pandemic. This is set to worsen over time as remote and rural areas face a number of megatrends, including depopulation and an ageing population, that will shape the availability and quality of public services (OECD, 2021^[14]).

Figure 4.2. Municipalities by population class size, % of municipalities, 2019-2020*



Notes: Previous years may have been used for some countries (based on last available census)

For the United States: size-classes are slightly different: less than 2 499 inhabitants, 2 500 to 4 999, 5 000 to 24 999, 25 000 or more

For Türkiye metropolitan municipalities are not included to avoid double counting.

1. OECD 28 refers to the average of unitary countries

2. OECD 9 refers to the average of federal or quasi-federal countries

Source: OECD (2021^[12]).

Box 4.4. The COVID-19 pandemic has revolutionised service provision

The COVID-19 pandemic has had deep and indirect impacts on the provision of services in OECD countries and elsewhere. The pandemic was infamous for its effects on the increasing mortality rates due to high death counts, as well as disproportionate effects on rural populations. Disrupting the global economy, the pandemic is also likely to have drastic effects on the availability of public resources for social spending in the next years. The pandemic also forced 1.6 billion students out of school across 190 countries and affected financially distressed persons and their ability to receive medical care. This dynamic opened the door for the digitalisation of public services such as education and healthcare. Although the digitalisation of medicine and distance learning education filled the gaps in public service provision, it also highlighted inequalities between rural and urban populations as well as between income levels and broadband access. Amidst the COVID-19 pandemic, telemedicine filled a gap in service provision, proving that the digitalisation of services is an important aspect for service provision, whether during a crisis or not.

Source: OECD (2021^[14]).

The small size of municipalities also brings challenges due to low capacity. As has been highlighted by previous OECD work and reaffirmed for this assessment, subnational governments in the Czech Republic face an acute gap in adequate skills and administrative capacity. This is particularly true at the local level where, in addition to the skill gaps, they confront difficulties attracting talent (see below).

In this context, local governments would greatly benefit from a rigorous estimation of the cost and quality of public service provision across the country. The Czech Republic lacks an accurate indicators system for assessing the cost and quality of public service delivery, making it difficult to assess the impact of administrative fragmentation on service effectiveness. Some OECD countries such as Australia, Denmark, Italy and Norway compile and publish such indicators (Mizell, 2008^[15]). The most well-known system is the KOSTRA system in Norway, which has provided municipalities with a tool for internal planning, budgeting and benchmarking. It has also helped the central government assess if municipalities comply with national standards and regulations (OECD, 2020^[8]). In Italy, the OpenCivitas portal provides a large number of detailed data on the performance of local governments (municipalities, provinces and regions) based on actual expenditures and public services provided (OECD, 2020^[8]). Chile has adopted a complementary approach, by setting minimum standards for municipal services. Setting minimum standards for service provision at the local level could be a complementary tool for the Czech Republic to encourage municipalities to co-operate in order to attain the minimum and common set of services to which all citizens should have access regardless of where they live (Box 4.5).

Box 4.5. Improving services at the local level: Developing indicators and minimum standards

The KOSTRA system in Norway

The KOSTRA system (Municipal State Reporting derived from the name KOmune-Stat-RApportering) is the information-reporting database for municipalities and counties in Norway. The system started in 1995 to provide a platform for municipal and county data to improve the organisation of planning and management and the realisation of national objectives (Statistics Norway, 2022^[16]). In 2001, reporting to the KOSTRA system became mandatory for Norwegian municipalities and counties (Government of Norway, 2019^[17]). The KOSTRA system can publish input and output indicators on local public services and finances, and provide online publication of municipal priorities, productivity and needs. The database integrates information from local government accounts and service and population statistics. It includes indicators on production, service coverage, needs, quality and efficiency. The information in the KOSTRA database is also easily accessible to public stakeholders for data analysis and independent research. The KOSTRA system is also used by local governments to compare practices, thereby promoting “bench-learning”. The KOSTRA system is regulated under the Local Government Act, which stipulates the obligation for municipalities and counties to report to the state through the KOSTRA system (Government of Norway, 2019^[17]).

At the central level, the KOSTRA system has rationalised data collection and processing, contributing to uniform standards, thereby enhancing comparability across municipalities and services sectors. Additionally, the database has also served as a tool to ensure that municipalities comply with national standards and regulations and facilitated a common assessment of the local economic situation, which is used as the basis of a parliamentary discussion on the transfer of resources to municipalities. For municipalities, the KOSTRA system effectively minimised the administrative burden associated with reporting and acted as a tool for planning, budgeting and communication. The KOSTRA system, having the local government budgeting information, has permitted municipal governments to compare how money is spent in other municipalities and provides a comparison on a variety of indicators for benchmarking.

Minimum standards for municipal services in Chile

Chile’s framework for Quality Management Programme for Municipal Services (Programa Gestión de Calidad de los Servicios Municipales) has been in place for a long time. In 2006, the Certification System of the Quality of Municipal Services (Sistema de Acreditación de la Calidad de Servicios Municipales) was adopted by almost 100 municipalities with 2 management models: 1) the Management Model of Municipal Service Quality that defined three “management levels” through a scoring system; and 2) the Model for the Progressive Improvement of Municipal Management, a simplified version of the first model targeted to municipalities with intermediate or low “management levels”. The system was structured around a set of procedures and methods to support, guide and encourage municipalities to undertake continuous performance improvements.

In 2015, the Chilean government started revising the Certification System, moving towards a System for Strengthening and Measuring the Quality of Municipal Services to create a structure that better meets municipalities’ needs and requirements. The new system focuses particularly on the definition of guaranteed minimum standards to reduce territorial disparities (*servicios municipales garantizados*, SEMUG). At first, the SEMUG comprised seven municipal services, “the first generation of guaranteed minimum services”, that represented either a high impact for the community or high costs or income for the municipality. These minimum standards have been defined as a basic level of provision in terms of quantity and quality, which has been conceived to be guaranteed by all municipalities in the country – a common set of services to which all citizens should have access regardless of where they live. The

7 selected services included 22 standards and 47 indicators. To define the baseline values for each indicator, the Chilean government worked on a pilot implementation programme with 60 municipalities.

Sources: (Statistics Norway, 2022_[16]); (Government of Norway, 2019_[17]); OECD (2017_[10]; 2012_[18]); Mizell (2008_[15]).

Inter-municipal co-operation in the Czech Republic is fundamental for investments and service provision at the right scale

Czech municipalities increasingly co-operate for investments and service delivery to counterbalance high administrative fragmentation. Inter-municipal co-operation in the Czech Republic is becoming increasingly common thanks to a vast legislative framework that enables formal and voluntary co-operation among neighbouring municipalities, in particular for autonomous competences (Table 4.3). Voluntary associations of municipalities (VAMs) are the basic form of inter-municipal cooperation (Bakoš et al., 2021_[19]; Sedmíhradská, 2018_[20]). The number of VAMs has been growing steadily since 1990, with significant growth around 2000 due to the adoption of the Law on Municipalities (128/2000) that introduced public-law forms of inter-municipal cooperation and restricted the use of some private-law forms (Sedmíhradská, 2018_[20]). In 2022, there were 702 VAMs registered in the country, but some of them do not perform any activities. Still, as most of the existing VAMs are single purpose associations and bring only a few members, there is some overlap in the functions carried out by each association, as there aren't any overarching legislative rules and recommendations in place. A new draft amendment to Act No. 128/2000 Coll. is however under discussion. This amendment creates a new form of VAM, larger than the existing ones: the Community of Municipalities. Such Community of Municipalities should ideally be join the majority of municipalities with “extended powers” (Type III) from the same administrative district. The objective is to strengthen inter-municipal cooperation at a larger scale, that of “micro-region”, to ensure coordination of public services (e.g. social services), joint delivery of administrative activities and territorial strategic development, including strategic and spatial planning. While the draft law establishes a minimum number of members¹, it envisages only voluntary membership at this stage.

While in some cases, inter-municipal co-operation is for planning and investment purposes, the majority of co-operation focuses on public service provision. In some cases, VAMs can be multi-purpose, covering several functions, mostly to help with the strategic development of its members (OECD, 2020_[8]). However, as highlighted by several stakeholders and the Ministry of the Interior, a majority of VAMs are single-purpose and may focus on a one-time investment project or the ongoing provision of services. Indeed, local representatives most often refer to inter-municipal co-operation for waste management, water and sewerage systems, sports facilities, social care, and home care services, among others. Indeed, across the country, VAMs are mainly established to carry out autonomous competences such as education, cleaning, infrastructure, municipal property management, among others. Multipurpose VAMs have often been considered to be good examples for further promoting this type of co-operation, especially by the Ministry of the Interior. However, as with other VAMs, their set-up does not guarantee stability. VAMs often importantly rely on external, temporary sources of financing, such as from the state budget or EU funds rather than funding provided by member municipalities or own revenues from service provision (OECD, 2020_[8]). They also receive funds from their members, but mayors are reluctant to raise membership fees to ensure adequate and stable financing (OECD, 2020_[8]).

Table 4.3. Different types of formal inter-municipal co-operation in the Czech Republic

Inter-municipal co-operation structures	Regulatory/funding frameworks	Key characteristics
Voluntary association of municipalities (VAM)	<p>Law on Municipalities (128/2000 Coll.) regulates their formation and activity</p> <p>Law on Budgetary Rules of Local Governments (250/2000 Coll.)</p>	<p>The Law on Municipalities 128/2000 outlines the right to and regulation for co-operation between municipalities. It lays out the appropriate services the VAMs might serve in the country as well as their required makeup.</p> <p>The Law on Budgetary Rules of Local Governments 250/2000 regulates the management of VAMs and local governments. It lays out the budgetary guidelines by which VAMs and subnational governments must abide.</p> <p>A VAM can be founded by two or more municipalities based on a contract approved by the municipal councils of all participating municipalities.</p> <p>VAMS are financed through member contributions, non-tax revenues resulting from their operations and external resources (grants).</p> <p>In the Czech Republic, most VAMs are used for service provision in waste management and sewer and water management (Sedmíhradská, 2018^[20]).</p>
Joint registered companies: joint stock companies, limited companies	Act No. 89/2012 Coll., Civil Code Act No. 90/2012 Coll., on commercial companies and cooperatives (Commercial Corporations Act)	The possibility of using contractual cooperation and setting up joint non-profit institutions and enterprises.
European groupings of territorial cooperation (EGTC)	<p>European Council Regulation 1082/2006</p> <p>Act on Regional Development 154/2009</p> <p>Law on Municipalities (128/2000 Section 55)</p> <p>INTERREG Europe</p>	<p>EC Regulation 1082/2006 sets out the legal regulatory framework for the creation and purpose of EGTCs. The regulation establishes EGTCs as legal personalities in the European Union and defines the requirements for their makeup.</p> <p>The Act on Regional Development 154/2009 regulates the creation of EGTCs in the Czech Republic. It gives the Ministry of Regional Development the duty of registering the EGTC in the Czech Republic and outlines the reasons for the annulment of the EGTC.</p> <p>Section 55 of the Law on Municipalities 128/2000 lays out the right for municipalities to engage in cross-border co-operation with municipalities of other countries.</p> <p>INTERREG Europe is one of the funding frameworks accessible to EGTCs under the European Regional Development Fund of EU Cohesion Policy. The programme funds national and subnational entities for regional development projects. There are many INTERREG organisations based on type: cross-border, transnational, interregional.</p> <p>EGTCs in the Czech Republic have been used for increasing co-operation and regional attractiveness between border municipalities. Some examples of EGTCs in the Czech Republic are: EGTC NOVUM, Dresden Prag EVTZ, Regionálna rozvojová agentúra Senica.</p>

Co-operation among municipalities for advocacy purposes has also proven effective in the Czech Republic. In a highly fragmented country, municipalities need to group to facilitate dialogue among levels of government and ensure that local voices and priorities are represented and taken into account when setting priorities. Two main associations of municipalities have a strong history in the Czech Republic: the Association of Local Governments and the Union of Towns and Municipalities (Box 4.6). The Ministry of the Interior, which leads the co-ordination with subnational governments, has made important efforts to communicate with these institutions – efforts that are recognised by local representatives that manifest they are periodically informed by the ministry of planned changes that may affect their territory. The associations of municipalities are also consulted when a decision will have a local impact, even though their priorities are not always taken into account. The communication channels established by the Ministry of the Interior are particularly important for taking small municipalities' priorities into consideration – as the associations are the only way they can manifest them.

Box 4.6. Association of municipalities for advocacy purposes in the Czech Republic

The Association of Local Governments

The Association of Local Governments of the Czech Republic is a non-governmental organisation that promotes the interests of Czech municipalities and cities. It has been in operation since 2008 and has a membership of over 2 200 municipalities. The association also prides itself on being a “strong partner of the government, parliament and regions in the Czech Republic” while also defending the collective interests of Czech municipalities.

The organisation's aim is to support municipalities in the development of the rural economy and to advocate for municipalities at the national level. The Municipality 2030 (Obec 2030) agenda is also an initiative that was started by the association in 2021. It aims to assist local governments with their progress on the fronts of decentralised energy and its effects on rural development by advising municipal representatives. The Municipality 2030 agenda provides municipalities with financial/funding advice as well as infrastructural support in areas such as public lighting, the circular economy, electromobility, etc. Additionally, the association partners with private companies, such as Skoda and EKO-KOM, as well as state ministries like the Ministry of the Environment, the Ministry of Culture and the Ministry of Regional Development.

Union of Towns and Municipalities

The Union of Towns and Municipalities is also a non-governmental advocacy organisation made up of Czech municipalities. It unofficially started in 1907 when 210 representatives from 100 Czech towns convened for the First Congress of Czech Towns of the Czech Kingdom in Kolín. The union was formally established in Brno on 16 January 1990, after the Czech Republic officially decentralised and later became a partner of the central government two years later. The union is currently made up of over 2 700 towns and municipal governments, which collectively cover a population of 8 million (approximately 80% of the Czech population). The union also advocates for Czech municipalities and oftentimes acts as an intermediary to streamline the concerns of Czech municipalities to the Czech central administration and the European Union. The union lists its main objectives as promoting the “interests and rights” of its members and the education of members' representatives, among other things. Like the Association of Local Governments, the union assists municipalities in finding additional funding for its members as well as possible partnerships. The union is also a member of the Council of European Municipalities and Regions and the United Cities and Local Governments, international organisations for subnational governance.

Association of Voluntary Associations of Municipalities of the Czech Republic

The Association was formed on the initiative from below, originally as an association of voluntary associations of municipalities of the Central Bohemia Region. It was subsequently joined by voluntary associations from other regions, and the association established itself nationwide. It brings together multi-agency voluntary associations of municipalities that have in the past been supported by funds from projects co-financed by the EU with a view to developing administrative capacity and strategic planning. Its members have an ambition to become Communities of Municipalities.

Sources: Association of Local Governments (n.d.^[21]); Union of Towns and Municipalities of the Czech Republic (n.d.^[22]); Sedmíhradská (2018^[20]).

Stronger inter-municipal co-operation can be an adequate response to fragmentation, given the strong political resistance to municipal mergers. While the Czech administrative fragmentation is a prominent challenge, neither Czech municipalities nor political representatives have made a concerted effort to solve it through municipal mergers, neither from top-down nor bottom-up approaches. While very few municipalities have merged (Musilová and Heřmánek, 2015^[23]), many remain hesitant about the idea of municipal amalgamation. One of the reasons behind this political resistance might be the recent history of centralisation in the Czech Republic (Bakoš et al., 2021^[19]). Indeed, the increase by 50% of the number of municipalities after the Velvet Revolution was, to a certain extent, a response to the previous centralised system. Merging municipalities may be perceived as a setback in that conquest for greater local democracy. This contrasts with the experience of many OECD countries, which over the last 20 years have planned, launched or completed municipal mergers (Box 4.7). Still, as is the case in several countries that have implemented municipal mergers, the strong political resistance comes from local actors who see their political powers rebalanced. In this context, strengthening inter-municipal co-operation – and encouraging associations in a more concrete and explicit way – might be an intermediary solution to at least partially overcome fragmentation, which remains a key challenge for effective policymaking at the local level.

Local governments, especially smaller, would greatly benefit from long-term and stable inter-municipal co-operation across the whole policy cycle. Currently, co-operation between municipalities is mainly done on a project basis, lacking a comprehensive territorial development approach to co-operation and planning. In general, given the financing structure, co-operation takes place for particular investment projects or the delivery of certain services for which municipalities see an advantage for acting together, as external grants are project-based. This is the case for road construction or waste management services. However, Czech municipalities would strongly benefit from longer term partnerships that would allow them to set common territorial development objectives, to plan and implement projects with a long-term horizon and at the relevant scale. This particularly benefits small municipalities, that should group together for strategic planning purposes (see below). Some VAMs have already adopted this practice; municipalities across the country could further learn and benefit from those experiences. The associations representing municipalities or the Ministry of the Interior could promote peer learning in this regard.

Long-term, stable partnerships should target co-operation at the functional scale to improve the effectiveness of public policies. Focusing on functional areas at the urban scale, but also in rural areas, enhances the understanding of key economic trends that unfold on a spatial scale that is not properly captured by small administrative geographies (OECD, 2020^[24]). Indeed, administrative boundaries – especially in a strongly fragmented country like the Czech Republic – do not necessarily capture or reflect the geographic reality of economic activity. In urban and rural areas, investment and services are best planned when seen from the perspective of functional service areas with networked villages, towns and more dispersed areas. Indeed, economic relations and flows of goods and people do not stop at the administrative border, but inherently connect different areas (OECD, 2020^[24]). This is in line with the perception of some local actors who highlight the need for a “large geographical area or population” for a

VAM to reach its potential (Bakoš et al., 2021^[19]). For this to happen, it is crucial to develop data on functional areas that can produce a more accurate picture of actual circumstances than administrative areas (OECD, 2020^[24]).

Inter-municipal co-operation would benefit from concrete incentives to establish co-operation arrangements. While the voluntary basis of the Czech inter-municipal co-operation schemes is a way of ensuring that co-operation arrangements more effectively target local needs, transaction costs might be important for some municipalities, especially when the VAMs involve the participation of a large number of small municipalities. Some recent evidence points in this direction, showing that large Czech municipalities do not consider inter-municipal co-operation to be cost-effective (Bakoš et al., 2021^[19]). Some evidence from France – a highly fragmented country like the Czech Republic – goes in the same direction (Tricaud, 2021^[25]). Establishing financial incentives for municipalities to co-operate, from the planning phase, may help overcome these costs.

Many OECD countries have recently introduced financial incentives to encourage inter-municipal co-operation. For instance, France offers special grants and a special tax regime in some cases; other countries, like Estonia and Norway, provide additional funds for joint public investments. Slovenia introduced a financial incentive in 2005 to encourage inter-municipal co-operation by reimbursing 50% of staff costs of joint management bodies – which led to a notable rise in the number of such entities. In Galicia, Spain, investment projects that involve several municipalities get priority for regional funds (Mizell and Allain-Dupré, 2013^[26]; OECD, 2019^[27]) (Box 4.7). Poland is also gradually moving in this direction by providing additional funding for municipalities of the functional area that prepare a joint strategic plan (OECD, 2021^[28]). These incentives may also help overcome political costs linked to co-operation and the sustainability of an association or agreement that usually depends on the political will of the mayor or local administration.

Box 4.7. Financial incentives for cross-jurisdictional co-operation

Most of the time, inter-municipal co-operation is promoted on a voluntary basis. Incentives are created to enhance inter-municipal dialogue and networking, information sharing, and sometimes to help create these entities. These incentives can be financial or more practical in nature (consulting and technical assistance, producing guidelines, measures promoting information sharing, such as in Canada, Norway and the United States). Several countries have also implemented new types of contracts and partnership agreements to encourage inter-municipal co-operation.

France has almost 35 000 communes, the basic unit of local governance. Although many are too small to be efficient, France has long resisted mergers. Instead, the national government has encouraged municipal co-operation. In 2022, there were about 1 254 inter-municipal structures with own-source tax revenues to facilitate horizontal co-operation. All communes are involved in them. Each grouping of communes constitutes a “public establishment for inter-municipal co-operation” (EPCI). EPCIs assume limited, specialised and exclusive powers transferred to them by member communes. They are governed by delegates of municipal councils and must be approved by the state to exist legally. To encourage municipalities to form an EPCI, the national government provides a basic grant plus an “inter-municipality grant” to preclude competition on tax rates among participating municipalities. EPCIs draw on budgetary contributions from member communes and/or their own tax revenues.

Inter-municipal co-operation has risen in recent years in Slovenia, particularly on projects that require a large number of users. In 2005, amendments to the Financing of Municipalities Act provided financial incentives for joint municipal administration by offering national co-financing arrangements: 50% of the joint management bodies’ staff costs are reimbursed by the national government to the municipality during the next fiscal period. The result has been an increase in municipal participation in such entities,

from 9 joint management bodies in 2005 to 42 today, exploding to 177 municipalities. The most frequently performed tasks are inspection (waste management, roads, space, etc.), municipal warden service, physical planning and internal audit.

At the sub-regional level in Italy, there is a long tradition of horizontal co-operation among municipalities, which takes the form of *Unione di Comuni*, intermediary institutions grouping adjoining municipalities to reach critical mass, reduce expenditure and improve the provision of public services. A law from April 2014 established new financial incentives for municipal mergers and unions of municipalities. Functions to be carried out in co-operation include all the basic functions of municipalities. All municipalities with up to 5 000 inhabitants are obliged to participate in the associated exercise of fundamental functions.

Source: OECD (2020^[29]).

Further resorting to peer learning would also benefit inter-municipal co-operation. Peer learning and the creation of capacities are other crucial processes to further encourage municipalities to co-ordinate across the whole policy cycle. As the economic benefits of inter-municipal co-operation arrangements might not be seen in the short term or by municipalities that have never experienced them, in some cases, municipalities need to be persuaded of the benefits and meaningfulness of inter-municipal co-operation. As is the case in other countries such as Chile or Poland, diffusion and imitation seem to be key elements for the success of inter-municipal co-operation (OECD, 2021^[28]).

Some OECD countries have opted to encourage collaboration by providing consulting and technical assistance, promoting information sharing, or providing specific guidelines on how to manage such collaboration. Arrangements to solve capacity issues have been prevalent among the Nordic countries (Denmark, Finland, Norway and Sweden), but they have also been practised in Chile, France, Italy and Spain, among others. Czech municipalities with successful stories can share their experience and encourage other municipalities to enter into such arrangements by showing that, through partnerships, municipalities can achieve more efficient and better results. Regions might play a key role in this task by organising peer learning, offering technical support and acting as political facilitators. The elaboration of a clear toolbox or guidelines on how to deal with the administrative procedures when establishing co-operative arrangements should accompany this process. Capacity-building processes might particularly focus on strategic planning at the supra-municipal level, either by peer learning or through external experts that can support municipalities in assessing the needs of a group of municipalities (see below).

Identifying and legislating on a specific set of tasks that should be performed by a group of municipalities could be an interesting way forward to ensure more efficient services and investments across the country. Joining inter-municipal associations in the Czech Republic are all on a voluntary basis. Sometimes small local governments only perceive the costs of inter-municipal arrangements (Box 4.7), reducing the incentives to establish VAMs. As has been highlighted by previous OECD analysis, mandating inter-municipal co-operation over a legally defined set of public services, delegated or independent competences can be an effective way of improving the quality and efficiency of service delivery and supporting wider use of inter-municipal co-operation schemes (OECD, 2020^[8]). In Italy, for example, some evidence suggests that small municipalities benefit from cost reductions and better public services when participating in mandatory inter-municipal co-operation arrangements (Giacomini, Sancino and Simonetto, 2018^[30]). Other countries, such as Finland, France or Germany, are also good examples of how mandatory inter-municipal co-operation has raised the stability of co-operation (Box 4.8). In any case, establishing mandatory and legally established tasks for inter-municipal co-operation schemes would need to be accompanied by appropriate financing mechanisms to execute those tasks, in particular with specific transfers, funding or financing for municipal associations.

Box 4.8. Mandatory inter-municipal co-operation in OECD countries

PARAS Reform in Finland

Inter-municipal co-operation in Finland has gone through many changes throughout different reform periods. Initially, from 2005 to 2007, the Finnish government decided to move forward with the PARAS reform, which aimed to improve the various functions at the subnational, municipal level. These changes were designed to overcome increasing subnational spending, improve productivity, strengthen municipal and service structures, and boost local service provision. During the reforms, municipalities were left the choice to merge or to join a “co-management area” based on a compulsory threshold. In a bottom-up manner, the central government allowed municipalities to choose how to organise themselves while also incentivising municipal mergers through financial grants from 2008 to 2013. With the Finnish government mandating that all municipalities merge or join a local co-management area, the local governments need to reach a population in either scenario of 20 000 inhabitants for primary healthcare services and 50 000 inhabitants for vocational education and training.

In Finland, inter-municipal co-operation is, in fact, voluntary. However, for vocational education and health services, the government requires municipalities to engage in municipal mergers or to join a co-management area. The use of compulsory inter-municipal co-operation for some services allows the country to go without an intermediate level of government. With the structural regulation and reforms in Finland through the PARAS framework, the *ex post* analysis found that the integration of social welfare and healthcare services improved at the national level.

NOTRe Reform in France

Before recent reforms of the French municipal arrangements, the system of inter-municipal co-operation was complex. Like many other countries with high municipal fragmentation, the French government, like others, understood that municipalities preferred inter-municipal co-operation over municipal mergers. In 2014, the French government passed the NOTRe Law (New Territorial Organisation of the Republic) to overcome the existing fragmentation of its roughly 35 000 municipalities. The government set a set of regulations and reforms to facilitate the inter-municipal co-operation agreements. For instance, it mandated that municipalities that were not part of an intermunicipal co-operation agreement join one considering the additional requirements as a result of the reform. The government set up a minimum population threshold of 15 000 inhabitants for inter-municipal co-operation, up from the previous threshold of 5 000. The law highlighted the delegated mandatory responsibilities of the inter-municipal co-operation, known as *communautés de communes* (communities of communes). The groupings are obligated to work in the framework of seven responsibilities and must work on three responsibilities from a list of seven. Though France, like Finland, has a voluntary dynamic for inter-municipal co-operation, the state makes membership is mandatory and makes some aspects of service provision compulsory.

Sources: OECD (2020^[8]; 2019^[6]; 2021^[31]; 2017^[11]).

Strengthening incentives to encourage municipal mergers may still be a way forward worth debating in the Czech Republic. While municipal mergers have met strong resistance in the country, several stakeholders at all levels still manifest that the high fragmentation puts the efficiency of the public administration at stake. Mergers meet strong resistance not only in the Czech Republic, but in several OECD countries. Still, several OECD countries have opted for municipal mergers. Municipal mergers in OECD countries respond to different objectives, such as reducing the mismatch between obsolete municipal administrative boundaries and socio-economic functional areas, achieving economies of scale and scope in the provision

of local public services, or increasing municipal administrative capacity (OECD, 2017^[11]). In the Netherlands and Switzerland, municipal mergers have been a gradual process and Nordic countries have implemented successive waves of mergers (e.g. Denmark, Norway, Sweden); in other countries, mergers have been mandatory (e.g. Denmark, Japan, New Zealand). Some countries encouraged mergers by keeping the former municipal administration with a sub-municipal status, like in Ireland, Korea, New Zealand, Portugal, the United Kingdom or in France, with the delegate mayors (OECD, 2020^[8]; 2017^[11]). Several OECD countries have used incentives to encourage municipal mergers, such as providing financial subsidies, guidance and technical assistance, introducing a special status for larger cities (Box 4.9). The Czech Republic could benefit from these countries' experiences to more effectively encourage municipal mergers, especially in the current context in which, in many areas, population decline is set to continue (OECD, 2020^[8]).

Box 4.9. What incentives are there for municipal mergers?

When problems arise from having a fragmented subnational make-up, countries look to respond to these difficulties by merging municipalities. However, instead of forcing municipal mergers, several countries have provided their subnational governments with financial or institutional incentives to merge. While national laws allow municipal mergers to take place, municipalities may not do so for a variety of reasons. Therefore, one mechanism to increase voluntary amalgamations of municipalities has been through improved incentives from the national government for the subnational bodies.

Financial subsidies

When looking to respond to fragmentation, many countries have offered financial incentives, such as subsidies, for municipalities to merge. In Norway, such incentives took the form of a five-year financial support to help municipalities reorganise services and administration, as well as special aid for smaller municipalities. In Switzerland, funds for consulting, guidance and technical assistance were introduced to prepare the ground for mergers. In France, merging municipalities benefited from lesser cuts in grants than other municipalities.

Mix of different types of incentives

Countries looking to encourage their municipalities to merge often also offer a number of incentives to promote municipal amalgamation. In the Netherlands, municipalities that decided to merge were given guidance with the adoption of the "Policy Framework for Municipal Redivision". Merging municipalities were assisted by the Dutch provinces in the merger process and also received an adjusted and expended merger grant to compensate the newly merged municipalities for the "friction costs". In Estonia, the government planned to fund consultancy and expertise costs to help municipalities prepare for the merger process. It was planned that the merger grant be double for voluntary mergers, with its end date in January 2017, and included a bonus if the size of the merged municipality exceeded 11 000 inhabitants. In Italy, Law 56/2014 encourages municipal mergers through state and regional financial incentives. The Stability Law 2015 also introduced additional incentives for municipal amalgamations by excluding merged municipalities from the limitations set for hiring personnel. In Finland, the PARAS reform (see Box 4.8) offered financial and organisational support as well as consultation tools. The state also promised that subnational staff in the merging municipality would not be subject to lay-offs for at least five years after the merger took place.

Special status for larger cities

An additional incentive for municipal mergers is by granting larger cities a special status after the merger. In Japan, the central government introduced a third tier of special city status (known as core cities) to promote municipal mergers. It did this in the hope that municipalities would amalgamate,

reaching the status, in order to gain new responsibilities under this tier. This status concerned cities of more than 300 000 inhabitants which met a few other requirements. There is some evidence that this strategy may have been successful in Japan.

Creating sub-municipal structures

Another incentive for municipal mergers is allowing the former municipal administration to be introduced as a sub-municipal structure (i.e. local deconcentrated units). The sub-municipal structures are generally given legal status under the municipality and have a deliberative assembly, a delegated executive body (mayor, council) elected by the population, an independent budget, etc., even if they depend on the municipalities. This structure of sub-municipal organisation maintains local accountability despite a comparatively large municipal size in terms of population. The representation of the local stakeholders is also increased through this sub-municipal structure, as it keeps the local identity of the previous administration and protects historical legacies, traditions and democracies. For example, there are many instances of sub-municipal structures in OECD countries: parish and community councils in the United Kingdom; *Eup* and *Myeon* in Korea; *freguesias* in Portugal; settlements in Slovenia, etc.

Source: OECD (2017^[11]).

Recommendations to strengthen inter-municipal co-operation

- **Develop an indicators' system that allows assessing the cost and quality of public service delivery at the local level.** This would help assess the impact of the administrative fragmentation on service effectiveness and, at the same time, would help ensure a minimum standard for service provision across the country.
- **Develop data on functional areas (in functional microregions and agglomerations) to be able to establish long-term and stable inter-municipal co-operation schemes at the functional scale.** In urban and rural areas, investment and services are best planned when seen from the perspective of functional service areas with networked villages, towns and more dispersed areas. For this to happen, it is crucial to develop data on functional areas that can produce a more accurate picture of actual circumstances than administrative areas. This will, in turn, facilitate joint strategic planning by a group of municipalities at the functional scale.
- **Introduce financial incentives, such as special grants or a special tax regime for inter-municipal co-operation bodies, to encourage inter-municipal co-operation.** These incentives may also help overcome political costs linked to co-operation and the sustainability of an association or agreement that usually depends on the political will of the mayor or local administration. These incentives should focus, in particular, on encouraging long-term partnerships that allow these bodies to set common territorial development objectives, planning and implementing projects with a long-term horizon and at the relevant scale.
- **Resort to peer-learning activities to encourage inter-municipal co-operation.** Municipalities sometimes need to be persuaded about the benefits and meaningfulness of inter-municipal co-operation. Czech municipalities with successful stories can share their experience and encourage others to enter into such arrangements. A particular focus might be given to peer learning through joint strategic planning by a group of municipalities. Regions might play a key role here by organising peer learning, offering technical support and acting as political facilitators. The associations of municipalities or the Ministry of the Interior can also promote peer learning in this regard. The elaboration of a clear toolbox or guidelines on dealing with the administrative procedures when establishing co-operative arrangements should accompany this process.

- **Identify a specific set of tasks that could be performed by a group of municipalities.** Mandating inter-municipal co-operation over a legally defined set of public services, delegated or independent competences can be an effective way of improving the quality and efficiency of service delivery and support wider use of inter-municipal co-operation schemes. This would need to be accompanied by appropriate financing mechanisms to execute those tasks, in particular with specific transfers, funding or financing for municipal associations.
- **Debate establishing concrete incentives to encourage municipal mergers.** While municipal mergers have met strong resistance in the Czech Republic, they can still be a way forward to bridge efficiency gaps at the local level. For this, a voluntary approach to mergers, with concrete incentives for municipalities, could be a way forward. This would need to be accompanied by the appropriate consultations, negotiations and communication efforts to gain support from local actors and civil society and ensure buy-in.

Enhancing strategic planning at all levels of government to pursue a client-oriented public administration

Strategic planning helps public administrations at all levels articulate their development vision, objectives and priorities and provides guidance for allocating public resources. In the Czech Republic, ensuring the overall high quality of municipal-level strategic planning can substantially contribute to advancing the Client-oriented Public Administration 2030 agenda. Good strategic planning could help municipalities deliver public services that target local needs, and strategically prioritise projects that have the most impact on supporting local development, hence optimising the use of public resources. However, despite having a clear planning system in place, several challenges remain in subnational strategic planning. First, the weak cross-sectoral co-ordination at that national level makes it difficult for regions and municipalities to align with national frameworks and reconcile different sectoral interests when planning regional and local development. Second, local and supra-local development strategies are not widely considered or used as an instrument to address local needs and, at the same time, contribute to regional and national development objectives. Third, most Czech municipalities are small and lack planning capacity, which has a direct impact on the quality of the local and supra-local strategic plans. It is unrealistic for the central government to provide support to over 6 000 municipalities. This thus requires seeking an optimised and more efficient solution to enhance local/supra strategic planning capacity. This section assesses the strengths and weaknesses of strategic planning in Czech subnational governments and explores potential ways forward, in particular, how to promote joint local planning, exploit the potential of functional urban areas (FUAs) in planning, and build local planning capacity in a more efficient and systematic manner.

Strengthening a place-based approach to regional and local development strategic planning

The Czech Republic has a clear multi-level strategic planning system, with the Strategic Framework Czech Republic 2030 being the “strategy of strategies” (Figure 4.3). Regional and local government strategic planning should take into account three key national documents, as listed below, as well as sectoral strategies. While the first two are non-binding for subnational governments, subnational government zoning and land-use plans must comply with the national spatial development policy. All regions and municipalities have land-use plans (mandatory). All regions are also mandated to have a regional development strategy, but municipalities are not obliged to have a municipal development strategy.

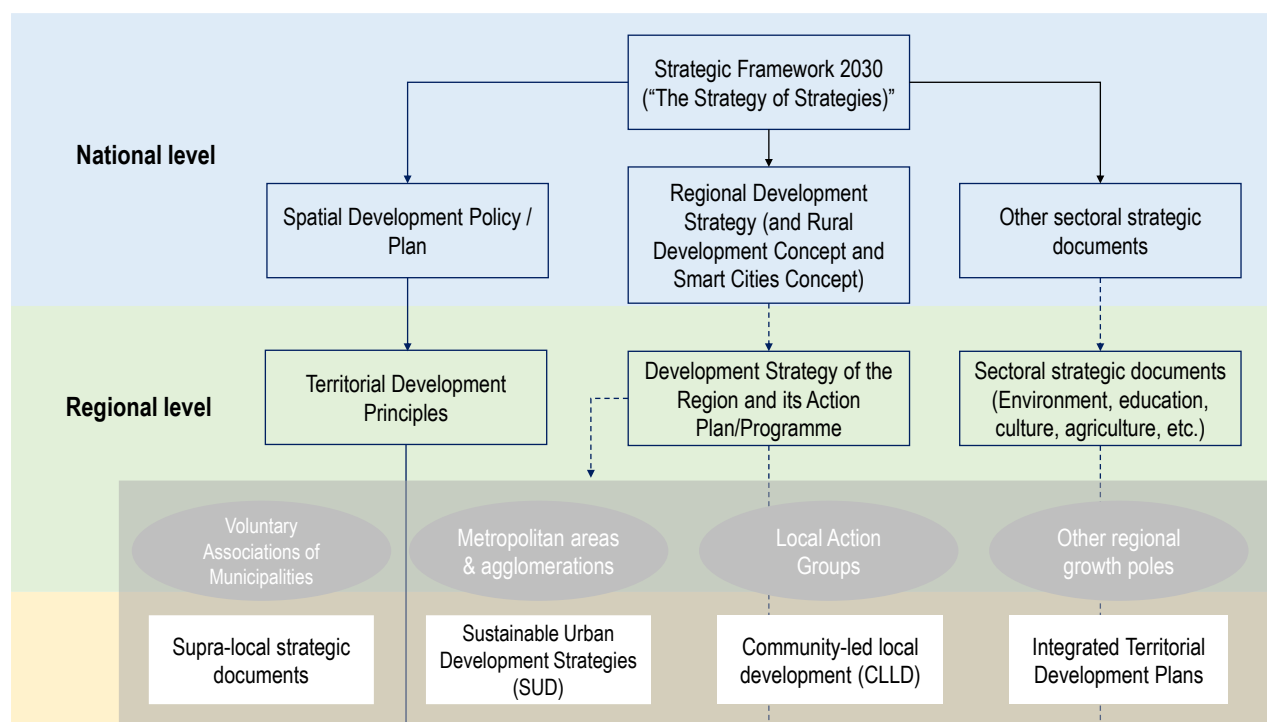
The Strategic Framework Czech Republic 2030, originally co-ordinated by the Office of the Government (Prime Minister’s Office) and then by the Ministry of Environment, was approved by a government resolution in 2017.² It serves as the “strategy of strategies”, setting out the vision for the country by 2030 under six areas: 1) people and society; 2) economic model; 3) resilient ecosystems; 4) municipalities and

regions; 5) global development; and 6) good governance. While all areas are relevant to subnational strategic planning, the vision for municipalities and regions³ is the most pertinent to subnational strategic planning.

The Regional Development Strategy 21+ (RDS 21+), elaborated by the Ministry of Regional Development in accordance with Act No.248/2000 Coll., on Support to Regional Development. This place-based regional development strategy identifies five different types of areas within the territory⁴ and sets differentiated development objectives and priorities for each type. This document is not binding for regions and municipalities when they develop their development strategies. However, the Ministry of Regional Development co-ordinated with the representatives from regions and municipalities through the regional standing conferences (one in each region)⁵ to ensure that subnational development needs were incorporated into the strategy.

The National Spatial Development Policy, developed by the Ministry of Regional Development, in accordance with Act No. 183/2006 Coll., on Spatial Planning and Building Rules. It sets out the frameworks and principles for subnational spatial planning. This strategic document contains planning guidelines and delimits development areas and the main transport and infrastructure corridors, but it does not outline a general vision for spatial development. It collects and analyses the data relevant for territorial planning at the regional and local levels and guides lower level spatial planning.

Figure 4.3. Strategic planning system for regional development policy and main implementation instruments in the Czech Republic



Note: The dashed lines with arrows indicate that one document provides non-binding framework/guidance to another; sustainable urban development strategies are implemented through the integrated territorial investment mechanism.

Sources: OECD elaboration based on Ministry of Regional Development of the Czech Republic (2022^[32]; 2016^[33]; 2021^[34]).

At the national level, there is room to more clearly define the territorial dimension of sectoral interventions, as indicated in the RDS 21+. Currently, national sectoral policies and line ministry subsidy schemes do not sufficiently consider the territorial dimension of their policy impact (Ministry of Regional Development of

the Czech Republic, n.d.^[35]). In general, there is no one-size-fits-all method to address this issue and sectoral policies can apply the territorial lens in different ways. In some cases, sectoral policies may incorporate preventive or corrective measures to mitigate the potential territorial impact. For example, education funding formulae based on student thresholds can make providing services to rural areas harder and requires a “territorial fix”. The Ministry of Regional Development could work with line ministries to apply the territorial lens in sectoral strategic planning. This can be done through bilateral dialogue with line ministries and inviting regions and municipalities throughout the planning process, and systematically monitoring the application in sectoral policy implementation. This is particularly relevant for sectoral policies where regions and municipalities assume several responsibilities, such as education, transport, housing, tourism, etc.

The weak inter-ministerial co-ordination affects the design and implementation of regional development policy at the national, regional and local levels. Overall, sectorisation and specialisation seem to be well-rooted in the Czech public administration.⁶ While the approach has supported clear responsibilities and accountability, the drawback has been limited incentives for ministries to co-operate on integrated (cross-sector) policies, such as regional development policy (Huerta Melchor and Gars, 2020^[36]). This can, and frequently does, generate conflict in regions and municipalities, for example between monument and nature preservation and projects for transport infrastructure; between protecting good agricultural land and the desire for new residential and other forms of development (OECD, 2017^[5]).

There is an outstanding need to ensure coherence between national and subnational planning. With a high number of subnational governments with potentially diverse sets of priorities, ensuring coherence among levels of governments is particularly crucial, as it can help all levels work in a more synchronised and complementary fashion. Establishing a mechanism to ensure that subnational authorities anchor their strategies (e.g. regional and local development strategies, micro-region strategies, sustainable urban development [SUD] strategies, community-led local development [CLLD] strategies) to the national frameworks is one way to accomplish this. However, currently, no such mechanism exists in the Czech Republic. The national and regional permanent conferences serve to reflect local needs mostly for EU-funded programmes, but yet miss a focus on ensuring the alignment of strategic objectives among all levels of government. The Ministry of Regional Development has been tracking the compatibility of strategic goals at each level of government, including municipalities, through the *Strategies Database*. While this database helps capture the linkages among already developed strategies, the Ministry of Regional Development can further provide support to subnational governments in the early stages of planning to ensure the alignment of objectives and priorities. This can include, for example, trainings or workshops on how to “localise” regional/national policy objectives and frameworks – e.g. if a municipality aims to boost education, how can it design a strategy that addresses local needs while pursuing the national education policy objectives?

The Czech Republic can assemble a high-level, cross-sectoral, multi-level co-ordination body to support regional and local development, including for subnational strategic planning. This body should ensure: the alignment between sectoral strategies and the RDS 21+ and help line ministries wear a “territorial lens” on their sectoral policies, when appropriate; and the alignment between regions’ and municipalities’ strategic planning documents and the objectives and priorities of RDS 21+. There are ongoing discussions in the Czech national government about creating such a body. There are two potential approaches to do so: 1) such a body could be either established as a new inter-ministerial committee or could be built on or incorporated into existing mechanisms or bodies, such as the National Standing Conference under the Government Council of European Structural and Investment Funds; or 2) the Sustainable Municipalities Committee under the Government Council for Sustainable Development. The latter approach can avoid the potential proliferation of government bodies. Regardless of the approach, decision-makers should participate in this body, especially for sectoral policies with a strong territorial impact (e.g. transport, housing, water, tourism, culture, etc.). Both regional and local representatives, including the associations of subnational governments, should also participate. Concrete examples of such mechanisms include the

Forum for Sustainable Regional Development in Sweden, the inter-ministerial committee focusing on inner areas development planning in Italy, and the Co-ordinating Committee for Development Policy in Poland (Box 4.10).

Box 4.10. Examples of inter-ministerial co-ordination platforms that support strategic planning

In Sweden, it is the job of regional development policymakers to convince other ministries that they should wear their “territorial lenses” when planning and designing sector policies. The Forum for Sustainable Regional Development 2022-2030 is one important co-ordination platform. It is positioned as part of the implementation of the National Strategy for Sustainable Regional Development throughout Sweden 2021-2030. The forum is chaired by the secretary of state for regional development. It is divided into two groups: one that promotes dialogue between national- and regional-level politicians, and one that fosters dialogue between national- and regional-level civil servants (director-level). Sweden has also created policy labs. There is one dedicated to exploring concrete policy methods for rural development. In addition, Sweden also relies on involving state agencies – both public servants/operational staff and decision-makers – in regional matters because these agencies support the implementation of regional development policy by different sectors while taking into account regional specificities that affect meeting sectoral aims.

Italy’s Strategy for Inner Areas is an integrated strategy tailored to reduce demographic decline and land abandonment in many rural areas by improving the quality of essential services – education, health and mobility – and promoting opportunities for economic activity and jobs. Within the framework of this strategy, the national government defined a set of integrated projects and their expected outcomes through an inter-ministerial committee to align objectives, adapt sectoral policies to specific territorial needs and match different sources of financing. This committee consists of representatives from the Ministries of Education, Health and Agriculture; the Department for Cohesion Policy; and subnational levels of government. For each policy area, the national government also identifies an alliance of municipalities willing and capable of working together towards a long-term strategy, including by unifying the management of functions relevant to the common strategy.

Poland established the Co-ordinating Committee for Development Policy as a permanent inter-ministerial committee with sub-committees linked to regional development issues (e.g. Sub-committee for Rural Areas Development, Sub-committee for Territorial Dimension). The committee carries out analysis and drafts documents to facilitate the implementation of the country’s Strategy for Responsible Development, which has a strong territorial dimension.

Sources: OECD (2020^[37]; 2019^[6]; 2022^[38]).

The Czech national government can strengthen its support to municipalities by aligning local and supra-local development strategies with regional and national level ones, in particular with the regional-level development strategy and the RDS 21+. This is key to strengthening the place-based approach to strategic planning and ensuring that policy efforts at all levels are harmonious. To move in this direction, the Czech Republic can adopt two complementary measures:

Defining strategic planning at the local/supra-local level as an instrument to support the implementation of regional- and national-level policy objectives. For example, the dual purpose of local/supra-local strategic planning (supporting local development and advancing higher level objectives) can be stipulated in the RDS 21+ and/or Act No. 248/2000 Coll., on Support to Regional Development. The Polish Act on Principles of Implementation of Development Policy could serve as an example (Box 4.11). Regional standing conferences can be used as a platform to enforce the strategic alignment between local/supra-local development strategies and regional ones, and the RDS 21+, e.g. a dedicated technical working group

under each regional conference to discuss how to ensure strategic alignment among strategies. This process requires buy-in from highly autonomous local governments to gain legitimacy. This is why it would be important to begin with a discussion with local governments on the benefits, concerns and conditions, among others; and/or with a pilot to test how one can ground their local strategic planning in local needs while contributing to the national objectives in practice. Such discussion or pilot can also be initiated with VAMs, municipalities with “extended powers” or large cities, regarding supra-local strategic planning. In any case, considering the different realities and the high number of local governments, institutionalising local/supra-local planning does not mean making strategic planning mandatory or imposing one standard method of planning on all municipalities.

Providing specific technical support on fostering strategic coherence with higher level frameworks within the existing technical support framework for local and supra-local planning. The Czech Republic has online tools, manuals and guidance, and other forms of support for municipalities on strategic planning (e.g. the online planning tool ObcePRO). It could be beneficial to incorporate thematic sessions/focuses with good practices to guide local authorities to identify important regional and national documents that have an impact on local/supra-local planning, and to “localise” these higher level objectives in their local/supra-local plans. Both the national and regional governments and the associations of local authorities can offer such assistance. In the long term, the national government can consider providing financial incentives in addition to capacity-building programmes. For example, when appropriate, projects that clearly contribute to both local and national objectives can be prioritised in the allocation of national funds for regional development. Such a measure can start as a pilot under certain existing funding schemes or in some regions/micro-regions.⁷

Box 4.11. Polish Act on Principles of Implementation of Development Policy

On 15 July 2020, the Polish parliament passed a number of amendments to the Act on Principles of Implementation of Development Policy:

The adoption of a Medium-term National Development Strategy (10-15 years) that specifies the basic conditions, goals and directions of the country’s development in the social, economic and spatial dimensions, and detailed activities for a period of four years.

The introduction of the notion of a local development strategy (LDS): although the adoption of an LDS is not compulsory, the act considers it to be a valuable strategic document.

The requirement that the spatial planning document and the socio-economic development diagnostic need to be included in the LDS to ensure stronger relations between the two policy documents, as in the past they were separated and not fully co-ordinated.

A detailed process for elaborating a development strategy at the *voivodeship*, supra-local and municipal levels. A detailed process for consultation across levels of government for elaborating the LDS was also put in place.

A municipal LDS needs to be submitted to the *voivodeship* board to ensure alignment with the *voivodeship* development and spatial policy and, in this case, with the supra-local development strategy.

Source: OECD (2021^[28]).

Engage with subnational authorities in national strategic planning

Experiences of OECD countries have shown that inclusive strategic planning processes in which stakeholders at the national and subnational levels are engaged can enhance the legitimacy of

policymaking and increase the sustainability of policies beyond single electoral cycles. The OECD Policy Framework on Sound Public Governance (2020_[39]) recognises the fundamental role of subnational governments in enhancing policies and strategies and recommends that “further efforts are needed to integrate them in the design and implementation of national strategies and policies.”

Subnational governments need to be formally and systematically involved early in national planning processes to ensure their views and priorities are considered in strategic plans and instruments. Consultation processes for the participation of subnational governments in the development of national medium- and long-term planning strategies in the Czech Republic are often informal but can also take place through the interagency commenting procedure. While the Governmental Legislative Code requires all public institutions to consult with stakeholders on draft legal acts, the Government Rules of Procedure (Art. II) also extend this obligation to non-legislative documents such as strategic vision documents/instruments and other sectoral and spatial policy documents. Consequently, ministries and public institutions are formally obliged by law to systematically consult subnational governments when strategies are developed at the national level. In practice, draft national strategic documents are published on a government portal accessible to subnational governments. Interested stakeholders may be aware of the timeframe due to the publication of a plan with a list of all legislative and non-legislative initiatives that is prepared annually. For local governments to submit comments to any draft government documents, they need to be represented by an interest group or association, such as the Association of Local Authorities, the Union of Towns and Municipalities, or the Association of VAMs, who act on their behalf and submit comments during an objection procedure. Regions, however, have the option to independently voice their concerns and counterproposals before the draft is discussed by government. In both cases, comments are collected digitally by making use of the electronic library of the legislative process (eKlep). Typically, 20 days are given to provide feedback on draft legislative documents and 10 days for non-legislative documents, which in practice can prove to be difficult for regional governments and municipal associations to comment. As set out above, no rules exist to specify the exact form of such consultations. The commenting phase takes place very late in the strategy planning cycle, once strategies are already drafted and are being prepared for submission to the government meetings. In interviews stakeholders reported that consultations with regional governments and municipal associations are sometimes considered mere checkbox exercises and provided comments are not followed up upon.

To allow regional governments and municipal associations sufficient time to submit their views and input during the consultations, the Czech government may consider expanding the minimum consultation period of 10 days, for instance by harmonising it with the 20 days given for consultations on legislative documents. The government could also introduce a requirement for line ministries to report and provide feedback to regional governments and municipal associations on how their input was used to build effective feedback loops. It could also be beneficial to ensure that feedback is integrated into future evaluations to be able to influence future policies and strategies, as highlighted in greater detail in Chapter 3.

Regional and local representatives are often also engaged through working groups organised by line ministries when strategic documents are prepared at the national level, as in the case of the Strategic Framework Czech Republic 2030 and the RDS 21+. Such a practice, however, depends on the line ministry. Discussions take place in specific, thematic councils and working groups, for instance the Council for Public Administration, where local governments are represented by regional and municipal associations. However, most often, decisions and outcomes are limited, according to stakeholders interviewed by the OECD. Line ministries may thus be missing an opportunity to collect valuable evidence to take informed decisions and risk overlooking important implications of sectoral strategies for subnational levels of government. The government of the Czech Republic could consider expanding and revising consultation processes with subnational governments (in the case of municipalities through associations), especially during the development of medium- and long-term strategic documents with a territorial dimension. Box 4.12 provides an overview of different institutional formats for engaging subnational governments in OECD countries. While a formalised consultation process on its own does not guarantee

better quality engagement, it can generate more proactive engagement among line ministries and regions and local governments early in the planning process, and also stimulate the active consultation of regional governments and municipal associations on draft strategic documents. Acknowledging that participation in consultation processes requires capacity and time and to avoid so-called consultation fatigue, participation in the development of medium- and long-term strategic plans and sectoral strategies should be voluntary.

Box 4.12. Mechanisms to engage subnational governments in strategy making at the national level

Across the OECD membership, different models and formats exist to engage with subnational governments in national strategic planning exercises:

In Wales (United Kingdom), “key partners” have been identified and engaged in a formal stakeholder group and steering committee composed of external partners and government officials.

For the preparation of the Irish Spatial Strategy, the importance of developing networks on cross-cutting themes was clearly recognised. Sectoral and geographic stakeholder working groups have been developed and supported to prepare the development plan.

Specific “task forces” have also been established in Lithuania to ensure key partners participate in the preparation of development plans.

Sources: Cardiff University (2005^[40]); OECD (2021^[31]; 2019^[6]).

The centre of government (CoG) plays a crucial role in ensuring the engagement of subnational governments in national-level strategic planning. As outlined in Chapter 2, the CoG’s central position, cross-cutting approach and proximity to the chief executive make it well-positioned to lead strategic planning activities for the whole of government. In a quarter of OECD countries, the CoG co-ordinates strategic policy initiatives with subnational governments and in almost half of them, it works with line ministries to ensure multi-level co-ordination on policy issues with important territorial dimensions. See Chapter 2 for a more detailed overview of the role of the CoG in strategic planning. In the Czech Republic, while the strategic planning capabilities and activities of the Office of the Government have been limited in the recent past (see Chapter 2), the Ministry of Regional Development has played a role in the overall strategic planning system by supporting the co-ordination of housing and regional strategies prepared by line ministries, animating the Expert Group for Strategic Work and the Strategy Database Working Group, managing the registry of strategies, and providing guidance on strategy preparations at the subnational level (Ministry of Regional Development of the Czech Republic, n.d.^[41]), in co-operation with the Ministry of the Interior. While the Ministry of Regional Development may lack the convening power to steer national strategies, this role has helped it better connect national and subnational strategic work.

To promote more consistent engagement with the subnational level to embed sectoral policies with a territorial lens, capacity and knowledge about consultations with regional governments and municipal associations should be mainstreamed across government, not only concentrated in the Ministry of Regional Development. This requires specific training or guidance for civil servants on how to use a variety of different consultation processes, differing in scope, timing and necessary resources. Currently, only a few guidelines or toolkit documents on stakeholder consultation⁸ provide more detailed guidance to inform about and promote engagement with subnational governments during strategic planning processes. The Ministry of Regional Development could thus consider developing detailed guidelines, toolkits and training efforts for officials to integrate engagement with regional governments and municipal associations into the planning cycle. Due to the CoG’s unique role in setting standards on policy and strategic documents and providing guidance and capacity to line ministries to ensure that these quality standards are met (see

Chapter 2), the Office of the Government could support the use and enforcement of such guidelines and tools.

Engaging with regional and local authorities in monitoring and evaluation of the strategies and policy priorities

Performance monitoring and evaluation (M&E) are pivotal instruments for clarifying the outcomes strategies that policies or programmes aim to attain and enhance their efficiency and effectiveness. Both seek to measure and improve government performance through different approaches. M&E can also benefit from the participation of subnational authorities. For instance, participants in policy programmes, regional- or local-level implementers, or community members impacted by the examined policy intervention can improve the quality of M&E exercises. While stakeholders are traditionally involved in M&E through consultations on indicators and feedback on results, more participatory approaches that enable stakeholders to share their needs and expectations have gained momentum in recent years. Against that background, the OECD Recommendation of the Council on Public Policy Evaluation recommends to “engage relevant stakeholders in the evaluation process from the outset to create ownership for change and trust in evaluation results” (OECD, 2022^[42]).

Currently, regional and local governments are only sporadically involved in policy M&E at the national level in the Czech Republic. No government unit in the CoG is tasked with M&E strategies and there are limited capabilities in the Ministry of Regional Development to follow up on the substance of strategies (whether national or sectoral strategies with a territorial dimension or subnational strategies). This makes the alignment with and involvement of subnational governments more challenging. While the register of strategies managed by the Ministry of Regional Development also includes strategies from subnational governments, the Ministry of Regional Development does not have the capacity to carry out or proactively support their M&E (see Chapter 3). Czech line ministries have consulted with subnational entities on indicators, information and data in the past. Moreover, in some cases, officials from regions and municipalities were invited to report on the outcomes of (integrated) policies/programmes with a territorial impact. Building on these efforts, the government could thus consider taking additional steps to move toward a more participatory approach to M&E. While the type and scope of stakeholder participation in M&E exercises depend on their respective purpose, line ministries could engage more systematically with subnational governments in M&E. Due to their insights into the potential territorial impact and benefit of policies and their role as implementers of many national programmes, regional and local governments are well placed to participate in and inform M&E processes at the national level. Box 4.13 provides an overview of the potential advantages involving subnational governments in M&E processes can bring.

Box 4.13. Potential advantages of subnational government participation in monitoring and evaluation

A robust and systematic participatory approach to monitoring and evaluation (M&E) that engages subnational governments, can help:

- ensure that M&E findings are relevant to regional and local conditions
- provide a sense of ownership over M&E results and policies at the subnational level and thus encourage their use to enhance decision-making and ultimately promote sustainability
- increase subnational M&E capacity through institutional learning and self-assessment
- increase the national government's understanding of policies with regard to what works, what doesn't and why and strengthen strategic planning and policy design by improving links between public interventions and their results
- promote enhanced communication and collaboration between government representatives at different levels of implementation
- strengthen public accountability and transparency and, in turn, foster trust
- promote a more efficient allocation of resources.

Source: Author's adaptation of UNFPA (2004^[43]).

M&E activities on national strategies are regularly conducted in the Czech Republic, particularly through the work of specific working groups attached to councils and the publication of annual reports on the implementation of strategies, but more can be done based on the results of these evaluations (see Chapters 2 and 3).

A wide array of possibilities exists to involve regional and local government stakeholders in M&E processes. As shown in Figure 4.4, these possibilities range from passive involvement through interviews and focus group discussions to collect data to granting regions and municipalities an active role in defining objectives, identifying indicators, deciding how and when information is collected, analysing information, and using the analyses to improve policies and service delivery and hold the national government to account. Since subnational representatives are often the best placed to identify the impact of policies or programmes on the ground due to their territory-specific knowledge and understanding, they can play an important role in designing and adapting M&E methodologies and data-collection methods. They are often also in the best position to judge if policies need to be changed to correspond to regional or local needs. As performance and results can only be measured with clearly defined and operationalised targets and indicators, subnational governments can help create an adequate indicators system to better measure progress. While it should be left to line ministries to decide for each M&E process which subnational government representatives participate, to what extent and how, the Czech government could develop and implement a proactive strategy for engaging subnational governments with the help of the M&E unit in the Ministry of Regional Development. To facilitate implementation, all participatory M&E processes for individual M&E exercises should be accompanied by detailed delivery plans that detail what is to be done, by whom, by when and using what resources.

Figure 4.4. Four-stage model to categorise stakeholder participation in monitoring and evaluation



Note: INTRAC four-stage model based on Bakewell, Adams and Pratt (2003^[44]).

Source: Author's work adapted from INTRAC (2020^[45]).

Towards stronger subnational strategic planning for regional and local development

Strengthening long-term planning at the regional level

Czech regional governments would benefit from long-term cross-sectoral development strategies that guide sectoral policy choices. On average, Czech regions have 25 strategic documents, excluding implementation plans and supporting documents. Although each region has a regional development strategy which should serve as the umbrella strategy for the region, it is not yet a common practice for regions to use this umbrella strategy to reconcile and co-ordinate sectoral interests, nor to guide decision-making and make strategic choices. The 14 regional development strategies often have a time horizon of three to seven years. A few of them follow the European Commission multiannual financial framework 2021-2027. Only two regions have a strategy in place with a horizon of more than ten years (and one of them is from 2009-2020 which has not been updated). Having a longer term strategy in place can help anchor sector policy interventions for regional development, for example in transport, housing, education, economy, innovation, etc., and facilitates integrated actions by helping each sector in the region understand and work towards realising agreed-upon, long-term development objectives (OECD, 2020^[37]).

There are limited incentives for actors to co-ordinate and work together to overcome policy fragmentation at the regional level. Regional experts participating in different working groups with line ministries do not have sufficient incentives or lack effective mechanisms to meet regularly to discuss and exchange on synergies across sectoral policies, jointly designing integrated actions to support long-term regional development goals, and how they can convey the regional needs to various line ministries and help “territorial proof” sectoral policies.

The national government can support regions to explore techniques and tools (e.g. strategic foresight) to develop long-term development strategies, with a special focus on reconciling sectoral interest and outlining a collective vision and objectives. This could be included in the methodological guide prepared by the Ministry of Regional Development. The ministry can also guide regional governments in developing cross-sectoral development plans. The pilot project “Understanding how sector policies shape spatial (in)balances”, initiated by the Ministry of Regional Development in the Olomoucky Region, is a good practice that could be expanded. It would be beneficial for regional governments to put in place formal cross-sectoral co-ordination mechanisms.

Encourage joint municipal strategic planning to overcome capacity gaps and reach an appropriate scale for effective planning

The administrative fragmentation at the local level hampers effective local strategic planning. The existence of many small municipalities impedes planning at the right scale and ensuring a capacity level that allows municipalities to plan their development effectively and strategically. Small municipalities often do not have the size or capacity to prepare strategies. In 2020, 95% of the 205 municipalities with “extended powers” and Prague had a valid territorial development strategy. As per the *Strategy Database*, 195 out of over 500 cities (*města*) have published their strategies; only 52 out of over 6 000 municipalities (*obce*) have done so⁹.

In some cases, Czech municipalities carry out joint planning to overcome capacity gaps and reach an appropriate scale for planning through various forms and mechanisms. For example, a study on local strategic planning in the South Bohemia Region found that, among 622 surveyed municipalities, 86% of rural municipalities and 62% of town municipalities drew up a joint development plan (micro-region strategies) through the VAMs (Řehoř, 2015^[46]). There are also SUD and CLLD strategies associated with EU funds – SUDs are developed by groups of municipalities usually in the same FUA, CLLDs are developed through local action groups. Some municipalities may also pool financial resources to hire external experts to conduct needs assessments for the overall jurisdiction. Then each municipality develops a local development strategy based on the analysis. While this is the least formal way of co-operating without an institutional set-up, it can also be a good solution for overcoming the municipal capacity gaps in planning and as a starting point for establishing a common development vision of a larger area. Yet several issues need to be considered:

1. Such practices are *ad hoc* and depend entirely on the willingness of municipal governments to co-ordinate. Mayors and elected representatives may not see the value in this approach or do not prioritise planning to support local development. There is no mechanism in place to formalise this practice.
2. There is no clear principle to help decide *which* municipalities should plan together. As mentioned above, there are various scopes for municipalities to plan jointly, but it appears principles are lacking to help municipalities draw the line to define with whom they should plan. Municipalities usually plan based on the existing VAM and Local Action Group (LAG) structure. In particular, it is not yet common among Czech municipalities to adopt the concept of an FUA in strategic planning for territorial development.
3. There is also no clear framework or guidance on *how* municipalities should plan together. While joint municipal planning is a critical approach to address resource gaps in planning and exploit cross-jurisdiction socio-economic linkages, in itself, it is not sufficient to ensure high-quality planning. On the one hand, deficiencies in local planning activities (e.g. weak need assessment, insufficient stakeholder consultation, etc.) may persist regardless of whether planning is done individually or jointly; on the other hand, joint municipal planning may require additional/new knowledge and skills. For example, when municipalities design the stakeholder engagement process in joint planning, they need know-how and guidance on how to ensure that all stakeholders

from different jurisdictions are consulted, and that their opinions are equally reflected in the joint strategy. The quality of joint planning may also depend on the quality of co-operation among the group of municipalities in general. Stakeholders identified that the quality of co-operation in the VAMs varies, depending on each municipality's willingness and level of engagement.

The Czech Republic may wish to establish functional territorial boundaries for planning purposes, including but not limited to exploiting the potential of agglomerations and metropolitan areas. The Ministry of Regional Development has defined 13 agglomerations and metropolitan areas across the country, and they can develop SUD strategies to use Integrated Territorial Investment. Currently, however, only around half of them have SUD strategies in place.¹⁰ In addition, it has been identified that some urban development strategies may lack a properly integrated approach to link housing, transport and land-use policies involving all municipalities within the FUA (OECD, 2017^[47]). Furthermore, joint planning should be promoted not only in metropolitan areas and agglomerations, but across the entire territory. For this reason, the Ministry of Interior is currently preparing an Act to create "Community of Municipalities" (*společenství obcí*) at the level of functional micro-regions and which could subsequently be used also for the needs of planning cooperation in agglomerations.¹¹ Financial and non-financial incentives could be introduced to encourage joint strategic planning among agglomerations and these Communities of Municipalities (Box 4.14). The Czech Republic can also provide technical assistance to a group of municipalities that would like to conduct joint strategic planning.

Box 4.14. Providing incentives for local strategic planning at the right scale

The Swiss federal agglomeration programmes

The Swiss federal agglomeration programmes, funded and administered through the Federal Road and Agglomeration Traffic Fund, provide competitive grants for public and individual transport infrastructure in agglomerations. The Federal Fund contributes 30-50% of the funding to the selected investment projects and the higher quality projects can receive a higher share of grants.

The funding programme is designed to incentivise co-ordination and co-operation among local authorities. As a condition to access the grants, local authorities need to plan and implement projects in a co-ordinated way to address local needs. They need to harmonise their transport, urban development and land-use plans and develop their agglomeration programmes jointly across administrative units. Some local authorities developed model projects precisely to construct collaborations and create an agglomeration programme to access the fund. In 2015, the canton of Uri and eight municipalities of the Lower Reuss Valley jointly developed an agglomeration plan for the federal programme. The plan outlined the goals and strategies in the context of the Lower Reuss Valley's future development with respect to housing, landscape and transport. Around 40 agglomerations throughout the country have participated in this programme.

Functional economic regions in New South Wales' vision planning

The state government of New South Wales in Australia released "The Vision", outlining its 20-year vision for economic development in New South Wales. The state government then assisted local councils in developing regional economic development strategies based on the concept of functional economic regions. Developing these enables faster access to dedicated state funding and may be used to support other types of government grant applications.

Sources OECD (2020^[37]); NSW Government (2021^[48]); G20-OECD (2022^[49]).

The Czech Republic can support municipal joint planning by building on good practices and experiences gained from SUD and CLLD planning. Seven SUD strategies and 178 CLLD strategies were established in the Czech Republic for the 2014-2020 programming period. These strategies address a wide range of development issues, from social inclusion and innovation, mobility, jobs and skills to climate adaptability, entrepreneurship and support for small and medium-sized enterprises, and culture and heritage. Although SUD and CLLD strategies in essence are investment instruments subject to specific regulations of EU funds and do not necessarily outline a long-term development vision for the defined area, municipalities have undoubtedly gained experience for joint planning in developing these strategies. For example, many municipalities have established strategy working groups for developing SUD strategies. Studies found that some local action groups have gradually established co-operation with different types of actors (e.g. among municipalities, other local public agencies, businesses and, to a lesser extent, non-governmental organisations) and started common development of the territory (Svobodová, 2015^[50]; Boukalova, Kolarova and Lostak, 2016^[51]). The national government can help capture and disseminate good practices and lessons learnt from existing SUD and CLLD planning exercises to support and promote municipal joint planning. This can include developing a catalogue of good practices and/or manuals for joint planning (beyond SUD and CLLD) or providing peer-exchange platforms, such as joint planning workshops.

Broaden the focus beyond EU funding on local development strategies

Access to EU funds is a main driver behind the elaboration of local/supra-local development strategies. Local government projects are often possible to implement only if they are funded through the EU Cohesion Policy. Meanwhile, EU funding schemes often require that local governments have local development strategies and demonstrate their projects can support the development objectives in the strategies. To some extent, this motivates municipalities to develop strategic plans. This is not technically a problem, but when the planning is disconnected from local needs, and the planning document is solely used to obtain funds rather than for strategic management and decision-making (Ministry of the Interior of the Czech Republic, 2020^[52]), certain difficulties can arise. For example, some local development strategies include initiatives such as building fairs and parks, which may be too ambitious considering the localities' assets, population or resources. Others emphasise fashionable industries (e.g. cycling tourism, high-tech fields, etc.), without reflecting the background, needs or assets of the given place or region (Ministry of the Interior of the Czech Republic, 2020^[52]). Strategic planning is viewed as a formal "tick-the-box" exercise rather than a meaningful process to better pursue and advance local development objectives.

The national government can help address this issue in several ways:

1. Ensuring municipalities have access to data at the local level and providing them with appropriate tools and knowledge to develop evidence-based and robust analysis. The trainings and support to municipalities on strategic planning should thus include a focus on finding and gathering data, needs assessment, and the subsequent priority setting.
2. Broadening municipal focus beyond EU funding. Municipalities mobilising various funding streams beyond EU funds could help better design and implement local development strategies so they do not design projects only around the EU funding parameters. Providing a catalogue of various potential financial resources (e.g. different Operational Programmes, national and regional funds, own resources, innovative ways to mobilise private finance, etc.) and support municipalities to match financial resources with investment could help.
3. Building municipal capacity to apply strategies to support decision-making. To ensure the stability and continuity of local policies and investments, local authorities should use their development strategies and frameworks to guide day-to-day decision-making. Specific tools include adopting decision-making principles and frameworks and building robust policy monitoring and evaluation system that is linked to the strategies. This could better support policy and investment decisions

focused on meeting strategic aims while also optimising funding resources and aligning with political objectives.

4. When appropriate, supporting municipalities (especially VAMs or cities or large municipalities) in long-term strategic planning. Many local strategic documents tend to have a short- or medium-term time horizon, ranging from three to seven years, moving towards at least a 10-year planning horizon can be valuable for policy continuity and stability. For VAMs and relatively large municipalities with sufficient planning capacity, the government can consider providing targeted capacity building programmes focusing on long-term strategic planning, including strategic foresight techniques. This can start as a pilot with a few VAMs and urban centres, for example. The recommendation above on defining local strategic planning as an instrument to support regional and national objectives can also, to a certain extent, help strengthen long-term strategic planning at the local level, as municipalities anchor their planning to long-term frameworks at the regional and national levels.

Provide tailored support to different groups of municipalities, including for joint strategic planning, and promote peer exchange

The national and regional levels, as well as the associations of local governments, play an important role in supporting strategic planning in municipalities. The Ministry of Regional Development has developed methodological guidance for strategic planning and, building on this, the Ministry of the Interior has developed a strategic planning manual for municipalities. Regional governments, associations of municipalities and some other initiatives (e.g. Healthy Cities of the Czech Republic) also play a role in supporting local strategic planning and harmonising terminologies based on the guidance. The Ministry of Regional Development also provides training, such as the three-day training module StrataEduca, which targets staff working on strategic planning from all levels of government. Municipalities can also apply for support through the online platform, ObcePRO,¹² developed by the Ministry of Regional Development, to receive guidance on the content and structure of local development strategies. The platform also offers useful tools, such as working with statistical data, templates and samples of supporting documents, or e-learning. Since 2015, over 500 municipal development strategies (individual municipality or joint strategies) have been published on ObcePRO, using the templates or guidance from the platform.

There is room to better tailor the assistance provided to different groups of municipalities in strategic planning, including specifically for joint planning. Local/supra-local strategic planning may take different forms depending on municipal context and size. There is no one way or right way to undertake municipal strategic planning, especially given the high diversity of Czech municipalities. If a group of small municipalities plan together, for example, they may need technical assistance to carry out joint planning, as well as the knowledge to develop a clear action plan anchored in a joint strategy, and particularly how to link projects with the budgeting process. The current support provided by the national government does not always differentiate among different types of municipalities (e.g. large vs. small, those at the border vs. those in the interior, etc.) and the challenges they face. Stakeholders admitted that among local administrations, different municipalities have different strategic planning needs and capacities. The national government could consider conducting a survey and/or focus group discussion among municipal staff responsible for strategic planning, including those for supra-local strategies, to understand their different needs and design corresponding technical assistance.

The national government can involve consulting companies that work in local planning in the process of designing and delivering technical assistance. Stakeholders observed that many local authorities seek external consulting companies to carry out strategic planning activities. Sometimes these companies do not follow the guidance provided by the national government, which may lead to low-quality local strategic plans. One way to address this problem is to engage these consulting companies when developing manuals, templates, trainings, etc. for local planning. For example, the national government can invite these consulting companies, in addition to representatives of local governments, when elaborating the

templates or methodology for local planning. On the one hand, working with multiple municipalities, these companies can provide insights regarding some common challenges in local planning; on the other hand, they will then be aware of the existing manuals and are more likely to use them when they offer their services to local authorities. To some extent, these consulting companies can also serve as intermediaries to disseminate knowledge provided by the national and/or regional level to the multitude of municipalities with which they work.

Stakeholder and citizen engagement in subnational strategic planning

The low level of effective stakeholder engagement and consultation is one of the major shortcomings in municipal strategic planning and administration (Ministry of the Interior of the Czech Republic, 2020^[52]; Řehoř, 2015^[46]). As mentioned above, municipalities often find it difficult to gain wider political consensus for long-term local development strategies, thus local planning documents often only cover a unique political cycle. One of the key factors behind this is insufficient stakeholder engagement and support for the strategies. Stakeholders interviewed and responses to the OECD questionnaire also identify the lack of participatory culture in the Czech Republic and insufficient effective stakeholder engagement as a challenge for subnational planning. For example, an analysis by the Ministry of the Interior identified that interest groups are often invited to provide comments and feedback at some stage in the planning or project design process, but their involvement tends to be reduced in later phases. Some local governments tend to assess development needs and set priorities without consulting local interest groups at all (Ministry of the Interior of the Czech Republic, 2020^[52]). Many local administrations do not “institutionalise” stakeholder engagement activities and do not have any written rules, for example for conducting public consultations (Ministry of the Interior of the Czech Republic, 2021^[53]).

In partnership with the associations of municipalities, the national government could develop practical tools to support stakeholder engagement exercises at the local level. The tools can include a checklist with actionable practices for municipalities to organise stakeholder engagement activities, accompanied by concrete examples of those practices. The actionable practices may include, for example, whether municipalities map out different groups of stakeholders in their jurisdiction, whether they design tailored engagement channels and communication tools for different groups, etc. Tools can also include a simple “decision-making” tree to help municipalities choose appropriate channels and instruments to engage with stakeholders for different purposes in the strategic planning cycle (e.g. vision-setting, identifying priorities, discussion on specific policy measures or investment programmes, etc.). Regardless of the form of the tools, the differences among municipalities in terms of size, development needs, administrative capacity, etc., should be taken into account. Ideally, tools to support small rural municipalities should differ from those used by large cities, as they likely face different challenges in engaging with stakeholders.

As a first step to developing these tools for Czech municipalities, it will be beneficial if the national government, together with the umbrella organisations of municipalities and VAMs, can identify good practices for stakeholder engagement at the local level. This is particularly important since stakeholders interviewed pointed out the lack of participatory culture in the Czech Republic. In local planning, it is crucial to develop and promote tailored instruments to engage different types of local stakeholders (non-governmental organisations, businesses, citizens, students, etc.). To do so, municipalities need to understand the specific challenges (e.g. difficulty in effectively using social media, lack of capacity in organising thematic events to discuss planning issues with citizens, using jargon to communicate with non-governmental actors, etc.). Conducting an analysis across different municipalities (e.g. VAMs, metropolitan cities, urban and rural municipalities) can help the Czech Republic develop tools that are tailored to the different local realities. A study on local stakeholder engagement in the Slovak Republic, which takes into account both general experts’ perspectives on preferred stakeholder engagement tools and the actual uptake of those tools by local governments, could provide inspiration (Box 4.15). The Czech Republic can carry out a similar analysis based on a diverse sample of municipalities (e.g. small and large, rural and urban, those with a strong tourism industry, etc.).

Box 4.15. Study on stakeholder engagement in local strategic planning in the Slovak Republic

A study on stakeholder engagement in municipalities in the Slovak Republic reveals potential opportunities for creating a methodological framework for local governments to adopt fit-for-purpose tools for stakeholder engagement in local strategic planning.

The study collected the perspective of experts on which tools are the most important for involving stakeholders in local strategic planning in the country context. It then surveyed the engagement processes of a sample of 286 municipalities (among its 2 927 municipalities) to see which tools are *de facto* used by municipalities as essential tools for public participation. Results show that while experts recommend public discussions, face-to-face meetings for planning documents, public deliberations and participation in working groups, in reality, questionnaires and surveys are the most commonly used tools by Slovak municipalities, which experts ranked lower in terms of importance. A jointly identified important form of public involvement for both experts and municipalities is the creation of working groups in the planning process.

One important finding is that the Slovak municipalities are aware of the importance of citizen involvement, but there are weaknesses in their co-operation with specific stakeholders (e.g. universities, colleges, non-profit organisations and the media), in particular to co-ordinate the different interests and priorities of individual stakeholders in a timely manner to support local development. The study also points to the need to utilise ways of engagement based on mutual communication and support informing the entities, as a complementary tool, in addition to traditional tools and forms. Digital communication methods can be used to capture trends and patterns, such as building information databases, sharing them and applying them to local development. In the context of Central and Eastern European countries, it is necessary to educate stakeholders and build their awareness of public participation.

Source: Vitálišová, Murray-Svidroňová and Jakuš-Muthová (2021^[54]).

Recommendations for enhancing strategic planning at all levels

Strengthen a place-based approach to regional and local development strategic planning. This includes strengthening cross-sectoral co-ordination to align sectoral strategies with the RDS 21+ and fostering the coherence between local/supra-local development planning and regional/national frameworks (e.g. the RDS 21+ and other regional and national strategies).

- Assemble a high-level, cross-sectoral, multi-level co-ordination body to co-ordinate sectoral policies with regional development policy to ensure a clear, coherent national framework for regional and local development. It could also help align local plans with the objectives and priorities set by the RDS21+. This body can either be a new inter-ministerial committee or be incorporated into existing bodies, such as the National Standing Conference under the Government Council of ESI Funds or the Sustainable Municipalities Committee under the Government Council for Sustainable Development.
- Incorporate a thematic focus on how to foster strategic coherence with higher level frameworks in the existing support for local/supra-local planning (e.g. manuals, trainings, etc.). When appropriate, projects that are clearly identified as meeting local needs and contributing to national agendas in a local development strategy can be prioritised in the allocation of national funds for regional development.

- In the long term, clearly define local/supra-local development strategy as an instrument to support the implementation of regional- and national-level objectives. This can be done, for example, by stipulating this instrumental role of local/supra-local strategic planning in the RDS 21+ and/or the Act on Support to Regional Development.

Revise the procedure for the consultation of regional governments and municipal associations when developing strategic planning instruments with a territorial dimension.

- Ensure that all line ministries consult with regional governments and municipal associations in the planning process of medium- and long-term strategic plans and sectoral strategies.
- Consult with regional governments and municipal associations already at an early stage in the planning cycle of strategic documents with a territorial dimension, e.g. within the framework of existing ministerial working groups.
- Expand the current binding minimum period of 10 days for consultations to give regional governments and municipal associations sufficient time to submit their views.
- Require that line ministries to report and provide feedback to regional governments and municipal associations on how their input was used to build effective feedback loops.

Scale up and further disseminate detailed guidelines, toolkits and training efforts for civil servants to engage effectively with regional governments and municipal associations within the planning cycle.

- The Ministry of Regional Development could provide more detailed guidance and tools to inform and promote the use of consultation processes with regional governments and municipal associations, differing in scope, timing and resources needed.
- The centre of government could support the use and enforcement of guidance and tools developed by the Ministry of Regional Development.

Move toward a more participatory approach to monitoring and evaluation through the systematic engagement of regional governments and municipal associations.

- Develop and implement a proactive strategy across government for engaging with regional governments and municipal associations with the help of the Monitoring Unit in the Ministry of Regional Development. Accompany this with detailed delivery plans for individual monitoring and evaluation exercises specifying what is to be done, by whom, by when and with what resources.
- Raise awareness among regional and local governments of the benefits that can be derived from measuring performance and evaluation more generally.
- Consider the active participation of regional government and municipal association representatives in appropriate monitoring and evaluation exercises (particularly on strategies with a territorial dimension) and involve them in decision-making regarding what information to collect, what methods to use and how to analyse data.
- Involve regional governments and municipal associations in periodic and systematic routine meetings to review relevant performance data and strategy evaluation exercises.
- Discuss with regional governments and municipal associations about which criteria and indicators should be used to measure progress.

Building regional and local government capacity of regional and local governments and VAMs in developing long-term and integrated development strategies and using strategies to support decision-making.

- Guide regional governments to adopt cross-sectoral long-term regional development strategies (e.g. regular cross-sector meetings in the planning process, use of foresight techniques in elaborating regional development strategies with more than a ten-year horizon, etc.).

- Identify functional areas across the entire territory for local planning purposes and promote cross-municipal joint planning at the functional scale (e.g. FUA). The national government can provide financial and non-financial incentives to promote joint strategic planning within the framework of Communities of Municipalities (currently proposed through legislation) and/or functional micro-regions, for example. The government can make joint strategic planning on functional areas a condition to unlock additional funding in certain national schemes. National or regional actors can support co-ordination if joint planning involves a high number of municipalities.
- Exploit the potential of FUAs in integrated joint strategic planning. This can include promoting the adoption of SUD strategies in all FUAs and providing targeted trainings or peer-learning workshops to support these FUAs to adopt an integrated approach to planning, linking various sectors and involving all municipalities.
- Ensure that VAMs and municipalities have access to data at the local/supra-local level and provide them with the appropriate tools and knowledge to develop evidence-based and robust analysis. This includes further developing data at the municipal level, providing catalogues and manuals on different databases and sources, and trainings on data analysis.
- Provide capacity programmes (e.g., trainings, seminars, manuals, practical guides, peer exchange forums, etc.) to VAMs and municipalities, focusing on applying the strategies to support daily decision-making and policy design to ensure the continuity of policies and services to pursue long-term development goals. These programmes could include a seminar or training on data analysis; a consolidated catalogue of various potential financial resources and principles to help VAMs and municipalities match financial resources with investment; disseminating examples of adopting local decision-making principles and monitoring and evaluation systems linked to local strategies; a pilot action with VAMs and large urban municipalities to carry out long-term strategic planning (over 10 years) using strategic foresight and data projection techniques. Regardless the forms of support, designing such programmes should be based on evidence. This said, the government can consider carrying out a survey and focus group consultations with VAMs and different types of municipalities to identify their capacity needs in strategic planning and use the results to design the programmes and support.

Build subnational capacity for stakeholder and citizen engagement in strategic planning. This can be particularly beneficial to help subnational authorities gain a wider political consensus on their development strategies so that they can be adopted beyond short political cycles.

- Partner with the associations of municipalities to develop practical tools to support stakeholder engagement exercises in municipal strategic planning. Such tools can include checklists, a collection of good practices or a simple decision-making tree to help municipalities choose the appropriate instruments to engage with stakeholders for strategic planning, according to their local context. It would be beneficial for the national government and both levels of self-government to carry out an analysis of stakeholder engagement practices among Czech municipalities, to understand the preferred form of engagement and specific challenges and use such analysis to design tools for municipalities.

Enhancing vertical co-ordination among levels of government for policy provision and investment

Ensuring coherence among levels of government for policy planning and implementation may help improve the quality of policies and services delivered to citizens. In the Czech Republic, policy implementation at the subnational level is inconsistent within the same sector or policy field (Ministry of the Interior of the Czech Republic, 2016^[55]). For example, stakeholders mentioned that practices in introducing digitalisation in public service delivery vary significantly by level of government. Some municipalities have a higher

uptake than others. A study of local government strategies during the COVID-19 crisis reveals the absence of effective co-ordination mechanisms between the central government and municipal actors. It identified that the complicated and bureaucratic administrative setting does not allow key decision-makers at the national and local levels to quickly share information and take informed decisions to devise the optimal response in a short period of time (Plaček, Špaček and Ochrana, 2020^[56]). This inconsistency can affect the overall quality or outcomes of national policy because it can lead to discrepancies in implementation across regions and municipalities. Thus, better co-ordination among levels of government in policy delivery may help address such inconsistency.

Territorial fragmentation challenges co-ordination across levels of government. The Czech Republic faces challenges in ensuring effective vertical co-ordination – for service delivery, administration or investment – partly due to the territorial fragmentation. National-local co-ordination is very challenging due to the high number of municipalities. In this scenario, the Union of Towns and Municipalities and the Association of Municipalities play an important role in facilitating this co-ordination. When it comes to implementing delegated responsibilities, the national government also tends to co-ordinate only with the municipalities with “extended powers”/Type III municipalities. Regarding regional-local co-ordination, the number of municipalities by region differs greatly across the country, and thus, so do the co-ordination challenges. Overall, there is no one-size-fits-all solution for all regions in terms of how to effectively co-ordinate with municipalities. While regions can use similar mechanisms to co-ordinate with municipalities, they need to take into account the specific characteristics of the municipalities in their territory (size, capacity, resources, etc.)

When it comes to specific investment projects or service delivery, there is no legal framework or dedicated mechanism for different levels of government to co-ordinate or co-operate (Ministry of the Interior of the Czech Republic, unpublished^[57]). In some cases, all levels of government co-ordinate investment projects when it is required to obtain funding, but this is rather the exception than the rule. Or, for example, the construction of a regional-level road requires each municipal government to issue a permit for the section located in their municipality. These procedures are often not well co-ordinated and the discrepancy in administrative capacity – hence the time to issue the permit – across municipalities can pose significant delays for regional investment projects. In particular, stakeholders mentioned that there are cases when a regional government invests in a regional road and the relevant municipal governments are not informed in advance and are thus unable to plan or prepare.

The Czech Republic can explore the use of territorial contracts to support vertical co-ordination for public investment and service delivery. OECD countries often use contractual agreements between different levels of government and sectors to align priorities and projects. France, which also has an important number of municipalities, has adopted different contracting tools to enhance co-ordination across levels of government, including with regions and municipalities (Box 4.16). Indeed, experiences show they can be flexibly applied in countries with a relatively high or small number of municipalities. They are effective instruments for identifying common targets, setting clear and transparent objectives, sharing information, and making credible engagements among different levels from the early stage of investments. While serving different objectives, contracts might help to ensure that national policies and regional and local priorities are coherent and “synergistically” contribute to national development targets. Contractual arrangements for investments and policy delivery could be capacity demanding for local governments. The adoption of a territorial agreement could specify priority projects for the development of the area covered by the agreement. Municipalities can sign agreements with the regional self-government or a national ministry.

Box 4.16. State-region contracts, city contracts, and recovery and ecological transition contracts in France

France has a long history of contractual arrangements linked to the decentralisation of specific tasks to regions, departments and, to some extent, municipalities. State-region contracts, launched in 1984, initially aimed at building regional capacity through a long negotiation process between subnational governments and the central government's deconcentrated bodies. These contracts established the objectives, implementation and funding modalities for specific tasks. They can also have an incidence on financial transfers from the central level to the subnational one. France is now in its sixth generation of state-region contracts. Through this process, regions have developed extended capacities and responsibilities in terms of economic development, employment and vocational training, including larger budgets and the involvement of new actors (e.g. academics, civil society). Urban policy has generally been focused on renewal in deprived neighbourhoods in cities of all sizes. It is formalised through city contracts (*contrats de ville*) concerning urban, social and economic development, in particular to address the devaluation of certain areas and urban and social segregation. These are annexed to state-region contracts and mainly passed between the state and the agglomerations, which allows pooling the actions of different communes.

State-metropolis pacts were launched in 2016 to empower and support investment in metropolitan areas; between 2016 and 2018, 485 contracts for rural development were signed to revitalise rural areas through initiatives in social cohesion, economic attractiveness, access to public services, mobility, access to digital technologies, and the ecological and energy transition.

In 2020, France introduced recovery and ecological transition contracts (*contrats de relance et de transition écologique*, CRTE) for inter-municipal co-operation bodies. These contracts last from 2020 to 2026 and provide a framework for the territorialisation and co-ordination of a range of public policies that, as a whole, contribute to the challenges of territorial cohesion and the ecological transition. The priorities of the contract are defined locally and agreed upon with the state. Inter-municipal co-operation bodies can access funding for the projects in the contracts from a variety of sources, including the local investment support grant (DSIL), EU funds, state government ministries implicated in the contract, and the private sector.

Source: OECD (2022^[58]).

Given the fragmentation of local administration and their diversity, the Czech Republic can pilot the use of territorial contracts targeting public investment projects that currently have low uptake. For example, such an approach could be used to motivate collaboration between national ministries or regions with municipalities that are not covered by Integrated Territorial Investment (ITI) and CLLD. Or it could be used for investing in education (co-ordination between building primary schools and secondary schools), for which municipalities generally have low incentives or face more difficulties co-operating with the regional level. The advantage of a pilot action is that the national government can provide hands-on support and identify lessons learnt from the process, which can then be scaled up to other sectors or municipalities.

Co-ordination is also needed between the state administration and regional and local self-governments. Incentive structures and institutionalised mechanisms in this regard appear to be lacking. The problem can be threefold: first, without an incentive structure or institutionalised mechanism for the self-government units to co-operate or co-ordinate with line ministries for territorially relevant interventions. Currently, co-ordination is *ad hoc* and depends on the political will of the self-government units. Second, those national subsidies can be insufficient, limiting capacity at the territorial level to implement national policy. Compounding this is that staff dedicated to delegated functions may take up other tasks. Third, state

agency budgets are frequently allocated on a project basis rather than focusing on advancing overall policy objectives. This could limit their capacity to co-ordinate and ensure the overall alignment of territorial policy delivery and national agendas. Co-ordinating the implementation of Roma integration policy is one concrete example that illustrates the co-ordination challenges (Box 4.17).

Box 4.17. Implementation of the Roma integration policy among levels of government in the Czech Republic

The only systematic measures to engage local and regional authorities to implement the Czech Republic's National Roma Integration Strategy (NRIS) are the regional co-ordinators for Roma affairs and Roma advisors with the municipalities. Regional co-ordinators for Roma affairs are financed from state subsidies administered by the Office of the Government, which also ensures their methodological guidance. However, the subsidies are insufficient to cover all the tasks, therefore co-financing from the regional budgets is necessary. In practice, only a minority of co-ordinators (3 out of 14 regions) are assigned full-time to Roma affairs issues (the other assignments usually deal with co-ordinating national minority and foreigner-related affairs). At the municipal level, the working hours of the employees (Roma advisors) assigned to this agenda remain negligible (less than quarter-time positions).

The NRIS itself is binding only on the central government bodies. Many municipalities are engaged in exclusionary, segregating acts that go against the purpose of the NRIS. Political will, however, is a very important factor in local decision-making, and this also means mechanisms put forward by one local administration can be stopped by a newly elected one.

The Czech government's Agency for Social Inclusion (ASI) has been the most important vehicle of social inclusion at the local level. It motivates municipalities to implement social inclusion measures through its own activities, mainly by providing incentives associated with opportunities to apply for EU funding. The ASI local counsellors are in contact with the regional co-ordinators for Roma affairs and the Roma advisors at the municipal level to secure basic co-ordination with NRIS implementation. Besides particular municipalities, the ASI also collaborates with regional authorities in the formulation of regional social inclusion strategies. Three regional authorities (of 14) are currently engaged in a project with the ASI.

However, because its own operation is project-based and not systematically financed from the state budget, the ASI cannot cover the state's entire territory and its focus depends on implemented projects. The ASI and its local counsellors are more facilitators and supporters, and if they want to lead the municipalities towards implementing inclusive measures, they have to act sensitively, as there still is great resistance to Roma inclusion in many areas. An important question is who in the Czech Republic could remind local policymakers more systematically of the human rights dimension of the problems Roma face.

Source: European Commission (2020^[59]).

One important formal co-ordination platform for public investment is the national and regional standing conferences. These conferences, however, focus mostly on co-ordinating investments financed through EU funding programmes rather than on vertical co-ordination for overall public investment supporting regional development. For example, regional standing conferences generally discuss the substance of calls for EU funding programmes, aligning their timetable and communicating regional proposals for investment to the national level through the National Standing Conference. The regional standing conferences also prepare documents for managing authorities upon request, co-ordinate activities within

their territory and prepare the annual report on the implementation of the regional action plan. There are also various working groups under the conferences for specific subjects. Such mechanisms are considered effective by the stakeholders interviewed, especially as their effectiveness has improved over the years. However, small municipalities without sufficient administrative capacity are often occupied by administrative tasks and lack the motivation and capacity to actively voice their needs in these conferences and the sub-working groups, especially if it is not mandatory.

The Czech Republic could consider creating a cross-sectoral, multi-level dialogue body to facilitate and institutionalise co-ordination among levels of government. Such a body could focus on practical aspects of national policies that need to be co-ordinated with subnational governments. It could also strengthen vertical co-ordination by aligning objectives at all levels and ensuring that policies are designed and implemented in a way that subnational governments understand. To some extent, this body is similar to the regional standing conferences, but would cover all sectors contributing to regional development rather than specific regional policies. Such a body should be led and operated by a core group (e.g. the centre of government) and include the Ministry of the Interior, the Ministry of Regional Development, the Ministry of Finance, and regional and local representatives. It should meet regularly and invite line ministries and relevant municipal groups (e.g. the Ministry of the Environment and VAMs that carry out joint service delivery in the water sector) on an *ad hoc* basis to discuss specific policy implementation issues with regions and municipalities. In particular, the subnational government associations – the Association of Regions, the Union of Towns and Municipalities, and the Association of Municipalities – should be permanent members of such a body and should be actively engaged. Italy has three levels of “conferences” between the central and subnational governments, serving as fora for inter-governmental co-ordination (Box 4.18). The high-level, cross-sectoral and inter-governmental co-ordination platform on regional and local development proposed above in the strategic planning section could be part of this overarching dialogue body.

Box 4.18. Inter-governmental co-ordination platforms in Italy

In Italy, inter-governmental co-ordination mechanisms are well developed. The main institutional mechanisms are the so-called “conferences”: the Conference of State-Regions; the Conference of State-Cities and Local Autonomies; and the Joint Conference of State-Regions-Municipalities and Local Authorities. The three conferences are held in the Prime Minister’s Office.

The Conference of State-Regions is presided by the prime minister or the minister of regional affairs. It gathers the presidents of the regions and other ministers whenever matters related to areas of their competence are discussed. The central government consults the conference regarding all legislative initiatives related to areas of regional interest. Regional governments play a key role on this platform and in the process of institutional innovation, especially relating to the transfer of functions from the centre to the regions and local authorities.

The Conference of State-Cities and Local Autonomies is presided by the prime minister. It gathers the minister of the interior, the minister of regional affairs, the minister of the treasury, the minister of finance, the minister of public works, the minister of health, the president of the Association of Italian Municipalities, the president of the Association of the Italian Provinces, the president of the Association of Italian Mountain Communities, 14 mayors and 6 presidents of provinces. The conference co-ordinates the relations between state and local authorities, as well as studies and discusses issues pertaining to local authorities.

The Joint Conference of State-Regions-Municipalities and Local Authorities includes all members of the other two conferences. Its overall mission is to foster co-operation between the state and all the local and regional authorities. It is competent in cases where all levels of government are called upon

to express themselves on the same issue (shared competence). In particular, it is consulted by the central government on the financial law and on the decrees concerning the allocation of personnel and financial resources to regions and local authorities.

Sources: OECD (2007^[60]); European Committee of the Regions (2019^[61]).

Recommendations to enhance vertical co-ordination

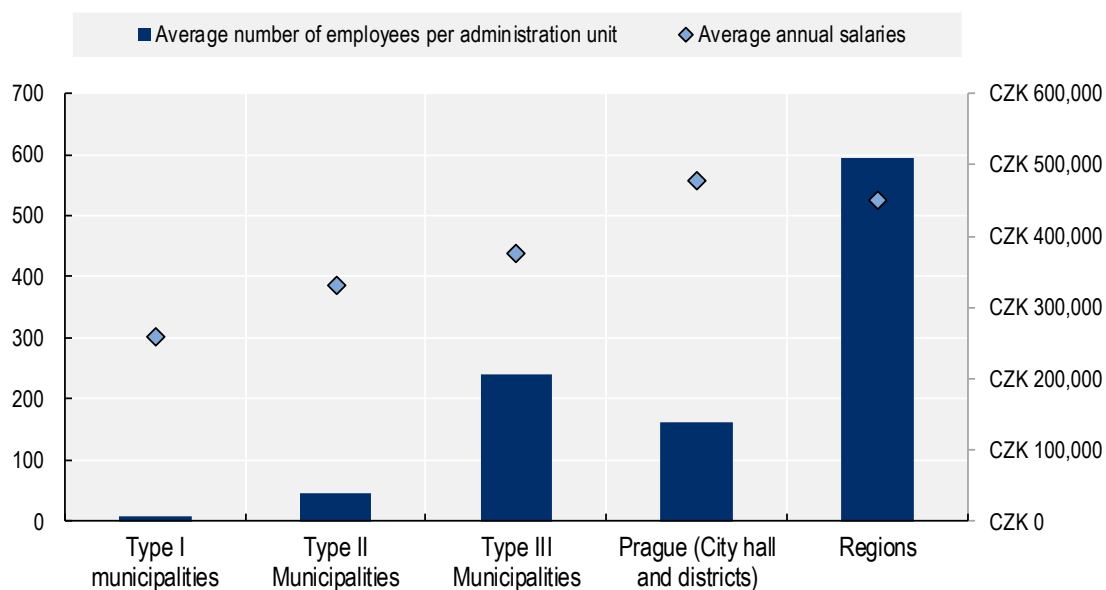
- **Start a pilot action to use territorial contracts for inter-governmental co-operation** for public investment projects that currently have low uptake. For example, such an approach could be used to motivate co-operation among municipalities that are not eligible for ITI and CLLD. The advantage of a pilot action is that the national government can provide hands-on support and identify lessons learnt from the process, which can then be scaled up to other sectors or areas.
- **Create a cross-sectoral and multi-level dialogue body as an institutionalised co-ordination mechanism** to focus on the implementation of national policies that require the co-operation of subnational governments.

Building subnational government administrative and strategic capacity to enhance policy and service delivery

The lack of staff in many small municipalities poses a challenge for implementing municipal priorities. Strengthening municipal administrative capacity is one of the key recommendations of the *OECD Economic Survey 2020 of the Czech Republic* (OECD, 2020^[8]). According to OECD data, over half (55%) of general government employment is at the subnational level in the Czech Republic (see Chapter 6). While this is the average among OECD countries, the fact that the Czech Republic has a high number of municipalities means the average number of employees per government unit is very small. According to the Ministry of the Interior, there is a total of 99 159 employees across all subnational governments in the Czech Republic (including turnover over the year). Among them, 84% are full-time jobs and 92% are at the local level (including Prague and its district) (Ministry of the Interior of the Czech Republic, 2022^[62]). There is a stark difference between small municipalities – those with basic power – and the others, as shown in Figure 4.5. Small municipalities (to recap, 77% of Czech municipalities have less than 1 000 inhabitants) have a *de facto* inability to ensure sufficient and qualified staffing for municipal authorities (Ministry of the Interior of the Czech Republic, 2018^[63]).

Figure 4.5. Average number of employees per administration unit and average annual salary in the Czech Republic

2021 data of 3 827 local governments and all regions (13 regions and Prague)

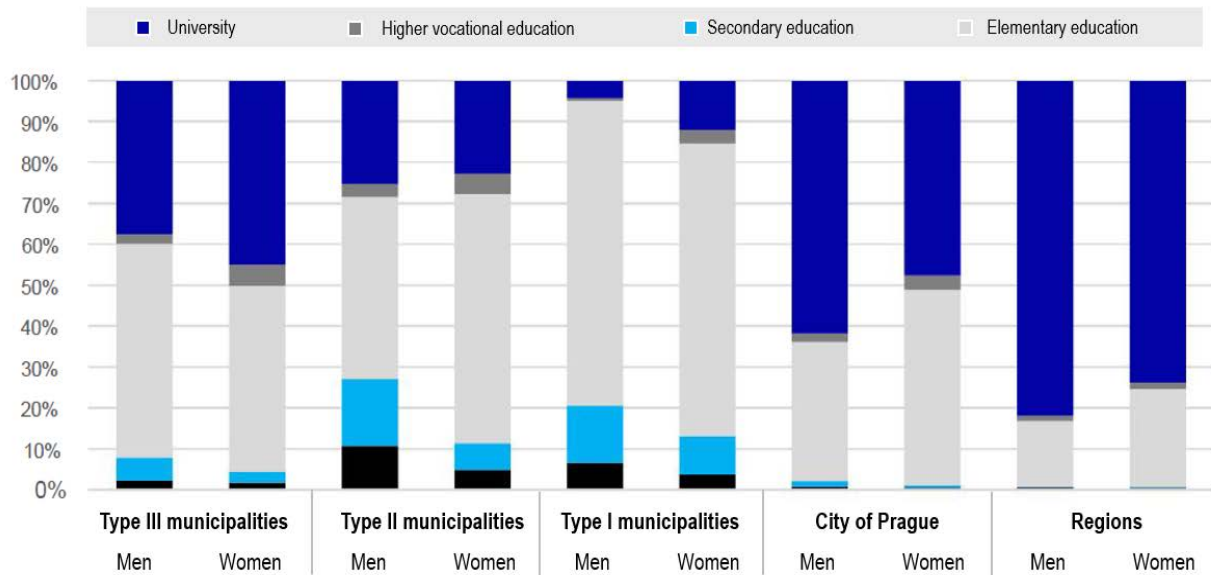


Notes: Averages are calculated based on data from 3 827 local governments (61%) and all regions. Data are missing for 1 Type III municipality out of 205; 6 Type II municipalities out of 183; and 2 421 Type I municipalities out of 5 866; 48 out of 57 districts in the City of Prague.

Source: Author's work adapted from Ministry of the Interior of the Czech Republic (2022^[62]).

The lack of adequately educated and skilled staff and expertise in small municipal offices is an acute challenge when dealing with specialised areas such as investment projects, procurement and financial management. Local governments are key investors. They invest in roads, energy supply, water management, schools and hospitals, among others. The lack of skilled employees in these areas could contribute to a lower number and lower quality of investment projects in a municipality. This issue was analysed in the 2020 *OECD Economic Surveys: Czech Republic* (OECD, 2020^[81]). Evidence shows that in the Czech Republic, investment per capita in small municipalities (less than 500 inhabitants) is less than half of investment per capita in mid-size (5 000-10 000 inhabitants) or large municipalities (more than 100 000 inhabitants). The Ministry of the Interior has identified this low level of expertise in financial management as one of the factors leading to a high risk of insolvency¹³ of municipalities (Ministry of the Interior of the Czech Republic, 2016^[64]).

Figure 4.6. Level of education of subnational government public employees in the Czech Republic



Notes: Averages are calculated based on data from 3 827 local governments (61%) and all regions. Data are missing for 1 Type III municipality out of 205; 6 Type II municipalities out of 183; and 2 421 Type I municipalities out of 5 866; 48 out of 57 districts in the City of Prague.

Source: Ministry of the Interior of the Czech Republic (2022^[62]).

In the Czech Republic, the national government has very limited influence on public employment (e.g. number of employees, etc.) in regional and local governments. Regardless of whether they exercise delegated or independent responsibilities, employees in subnational governments are governed by the Act on Officials of Territorial Self-governing Units rather than the Civil Service Act, which governs civil servants at the state level. The remuneration of subnational employees is set according to Government Order No. 341/2017 Coll. Salaries are set on the basis of the official's classification in the salary grade and salary step¹⁴. Subnational government officials are required to pass the Special Professional Competence exam to demonstrate their competencies.

The national government can support learning and staff development at the local level to build institutional memory and effective workforces. Focusing only on estimates of how many employees will be needed to implement projects and simply replacing workers with the same skills may not be effective in the long term. It is also unrealistic to assume that all municipalities can recruit sufficient employees and experts. At the same time, the situation for municipalities to fulfil their tasks and their budgetary resources (transfers and own tax revenue) are constantly evolving, and are less predictable in the eye of climate change, the energy crisis, the COVID-19 pandemic, inflation, among other uncertainties and challenges. Supporting municipal administrations to learn and adapt established working methods to meet new demands can be a key solution for addressing the capacity challenge.

“Scale-up” capacity building at the municipal level

Czech municipalities face difficulties in developing institutional memory and capacity. In small municipalities, which are the majority in the Czech Republic, it is common for municipal staff to be stretched over several tasks. For example, for investment projects, the same groups of employees might be responsible for planning, project prioritisation, implementation, procurement, monitoring and communication, among others. These municipal employees may gain knowledge at their job over time; but when they leave, they also “take away” all their knowledge in managing investment projects. This is in

stark contrast with the big cities, which have a stable administration structure and specialisation of tasks, which, even with a high turnover rate, are managed to build institutional knowledge and train new employees within its own capacity.

Municipalities may find it difficult to access and use methodical support from the 14 regional offices – such support was previously provided by the 77 district offices, which are closer to municipalities. On the one hand, for regions that cover a high number of municipalities, the supervision and support can be capacity and resource demanding. On the other hand, municipalities complain that following national legislation and all the guidance – for both independent and delegated responsibilities – adds significant administrative burdens on them.

There is room to build capacity at the right scale to enhance efficiency by pooling expertise or encouraging peer learning through the VAMs. For example, if a VAM carries out joint strategic planning, the national government can provide support (e.g. experts, trainings, etc.) to the VAM secretariat and build its capacity. Furthermore, facilitating peer exchange and knowledge sharing is a key method of supporting a large number of municipalities. In particular, for small municipalities, there is potential for the national government to support train-the-trainers programmes to build economies of scale for capacity building.

The Czech Republic is also considering developing regional competency centres for public procurement purposes. Centres of shared specialist services with teams of professionals are being piloted on a voluntary basis and, if successful, should be expanded to form a country-wide network. These competency centres have great potential in building local capacities and could potentially be expanded beyond public procurement. This is the case of pilot advisory support centres in Poland (Box 4.19).

Another option, or in addition to the competency centres, is to support networks or organisations targeting municipalities that face common challenges. Not only can such networks or organisations provide support, they can also facilitate exchange among local authorities to tackle specific issues. For example, municipalities in economically and socially vulnerable areas may face similar structural challenges and could receive tailored support. This could also be initiated by municipalities, but could significantly benefit from support from the Association of Municipalities and the national government. Such a network or organisation does not have to be a public entity but can take the form of a non-profit organisation, as in the case of the Sustainable Islands Network in Greece (Box 4.19).

Box 4.19. Examples of organisations providing technical support and capacity building to local governments

Advisory support centres in Poland

One of the projects in the National Strategy for Regional Development for Poland is to establish advisory support centres. The main goal of the advisory support centres is to support areas of strategic interventions (e.g. territories with structural development disadvantages or challenges). This includes strengthening their administrative efficiency in strategic management and implementing comprehensive development projects. This pilot project aims to build the capacity of local authorities in strategic planning and the use of territorial investment instruments. It helps local governments develop and manage their partnerships with other local governments as well as civil society organisations. The capacity-building process brings together the stronger and weaker municipalities (in terms of capacity) in the same functional areas to identify common development priorities, shared potential for realising them, and challenges and solutions. By doing so, it reinforces partnerships and co-operation in functional areas and strengthens the implementation of the territorial approach.

The Sustainable Islands Network in Greece

The Sustainable Islands Network (DAFNI) is a non-profit company of island local authorities. It was set up in 2006 to empower the islands' local authorities and activate a sustainable model for island development based on sustainable and intelligent management of natural resources and infrastructure, sustainable tourism utilising the natural and cultural resources of the islands, and the functional interface of the primary to the secondary and tertiary domains. The DAFNI network currently counts 48 members, including 44 island municipalities in the Aegean and Ionian Islands, the North Aegean and South Aegean, as well as the Regional Union of Ionian Islands. It has scientific and technical training, deep knowledge of the local needs and development dynamics of the islands, as well as dedication, over time, to the implementation of integrated solutions that meet the identified needs of each island individually. One key project is the development of a Geospatial Data Portal for all Greek islands except Crete and Evia. The project is essentially about creating an organised database network (platform) with common standards and protocols, which will ensure compatibility and interoperability between data and services. The network also co-ordinates and actively participates in initiatives to strengthen local government and island society, seeking to develop policies tailored to the islands' particular challenges and development opportunities. It co-ordinates, for example, the Smart Islands Initiative, which is supported by over 200 municipalities and regions, networks, and energy bureaus of islands across Europe.

Source: OECD (2021^[28]).

Tailor capacity building to different groups of municipalities, taking into account local development profiles and policies

The current education system and trainings for officials of territorial self-governing units appear to be burdensome in relation to the actual needs of municipalities and, in some cases, do not reflect the actual content of officials' administrative activities. All officials of territorial self-governing units are required to obtain a relatively wide range of knowledge of the procedural regime of the Act on Administrative Code. This is reflected in the general part of the Special Professional Competence exam, which officials are obliged to pass, regardless of the type of municipality and their competencies. However, for many small local administrations, some proceedings are not even conducted in their regime (e.g. the administration of taxes, fees and other similar monetary payments). The obligation for all municipal officials to pass the Special Professional Competence exam seems to be unnecessary (Ministry of the Interior of the Czech Republic, 2022^[65]). The forthcoming amendment to the Act on Officials of Territorial Self-governing Units proposes major changes to the training system, e.g. simplification of the Special Professional Competence exam, which would focus more on the professional activities of officials of territorial self-governing units and simplification of the system of accreditation of educational programmes.

Another disconnect with reality is the absence of trainings and systematic education for elected municipal representatives. Elected representatives such as municipal councillors, mayors or employees working in the commissions are not covered in the legally mandated trainings and education for territorial self-governments. This is a problem, as in many very small and remote municipalities, mayors also carry out public administration tasks. Councillors play a determining role in the overall development but also day-to-day operations and practices of the municipalities. The fact that elected representatives are not trained systematically could pose a problem for many municipal administration tasks, such as budgetary practices. There is a need to expand educational opportunities for elected representatives of territorial self-governing units.

The diversity of municipalities generates a great need to better understand municipal capacity needs and provide comprehensive, continuous capacity-building programmes. Rather than solely relying on a

top-down approach of inspection and providing recommendations for municipalities, the national government can try to ask municipalities to identify the difficulties they face in public administration and policy provision. This could help the national government structure its capacity-building efforts in a more specific and targeted fashion and avoid adding an unnecessary burden on municipalities. It can also help put into perspective whether the municipal gaps in public administration and management are pertinent to certain regions or groups of municipalities, thereby helping the national government (and regions) to provide tailored support. The aim should be to reinforce the capacities of municipal public officials and institutions in a systemic and sustainable way, rather than offering technical assistance on a case-by-case basis.

Capacity-building and technical assistance activities could be diversified and enhanced. With limited resources and time, only a small portion of the over 6 000 municipalities can receive the various trainings. Workshops and trainings can also be time-consuming, and some charges are high for many small municipal offices. Furthermore, municipalities might not be interested in attending general trainings that are not specific enough to help them address practical challenges in planning. They might find the documents too extensive and too time-consuming to follow. There is room for the national government to increase the use of digitalised materials and develop “light” documents or practical toolkits in plain language. The possibility for the national government to mobilise regions or municipalities with “extended powers” to aid other municipalities or VAMs could be explored. The French National Agency for the Cohesion of Territories provides an example (Box 4.20).

Box 4.20. The National Agency for the Cohesion of Territories in France

The National Agency for the Cohesion of Territories (ANCT) was created by law in 2019 and set up in 2020. Its creation reflected the central government’s action to support subnational governments to promote their projects while taking into account cross-cutting challenges (e.g. cohesion, digital, ecological and demographic transition). The ANCT facilitates subnational governments’ access to resources needed to carry out projects according to their local contexts, notably by providing them with engineering resources (e.g. studies, forward-looking workshops, training, co-financing of project managers). It also implements programmes to strengthen territorial cohesion by directing public investment towards small and medium-sized towns, disadvantaged areas, the development of circular economies, industrial renewal (particularly in rural areas), and the provision of local public services. The ANCT is also strongly involved in the digitalisation of territories through the establishment of dedicated infrastructure and supporting different uses (from the fight against illiteracy to the development of new technologies).

The ANCT facilitates the implementation of typical territorial projects, such as the revitalisation of city centres and industrial fabrics, strengthening employment and healthcare services, promoting economic attractiveness, etc. It also meets specific needs upon request, such as renovating schools, developing alternative transport modes, deploying free Wi-Fi in public spaces, among others.

Prefects are the local representatives/contact points for local governments that would like to request support from the ANCT. Prefects are the direct representative of the prime minister and every minister at the departmental level (101 departments in France). They plan and implement government policies and are responsible for national interests, administrative supervision, compliance with laws and public order.

Sources: OECD-UCLG (2022^[66]); ANCT (n.d.^[67]).

Recommendations for building administrative capacity

“Scale-up” capacity building at the municipal level. The aim is to build economies of scale in capacity building and to reinforce the capacities of municipalities in a systemic and sustainable way, rather than offering technical assistance on a case-by-case basis.

- Enhance the efficiency of capacity building by pooling expertise or encouraging peer learning through the VAMs. For example, if a VAM carries out joint strategic planning, the national government can provide support (e.g. experts, trainings, etc.) to the VAM secretariat and build its capacity. Furthermore, facilitating peer exchange and knowledge sharing is a key method.
- Continue efforts to create regional competency centres. In the long term, these centres could be expanded to provide a wide range of capacity-building activities to local governments, beyond procurement. These centres should be developed in close consultation with local governments in different regions of all types.
- Support municipalities to develop networks or organisations that target certain groups of municipalities that face common challenges (e.g. economically and socially vulnerable areas) and facilitate exchange among them.

Tailor capacity building to different groups of municipalities, taking into account local development profiles and policies.

- Develop a long-term capacity-building plan for municipalities based on municipal governments’ feedback and opinions. This can be done based on a survey and consultation. One of the goals is to understand whether the municipal gaps in public administration and management are pertinent to certain regions or groups of municipalities, thereby designing and providing tailored support in a systemic and sustainable way, rather than offering technical assistance on a case-by-case basis.
- Increase the use of digitalised materials and develop “light” documents or practical toolkits in plain language to facilitate uptake/use by municipal staff.
- Mobilise regions, municipalities with “extended powers” and associations of municipalities to provide technical assistance (e.g. experts, workshops, counselling and advisory services) to municipalities or groups of municipalities. The assistance can include a “general part” (e.g. a pool of experts or a series of workshops for common projects carried out by many municipalities, such as water management projects) and also be able to cater to the specific needs of some municipalities upon request.
- Continue the special competency education reform to reflect and adapt to the actual tasks and competency needs of different groups of municipalities and expand educational opportunities for elected representatives of territorial self-governing units.

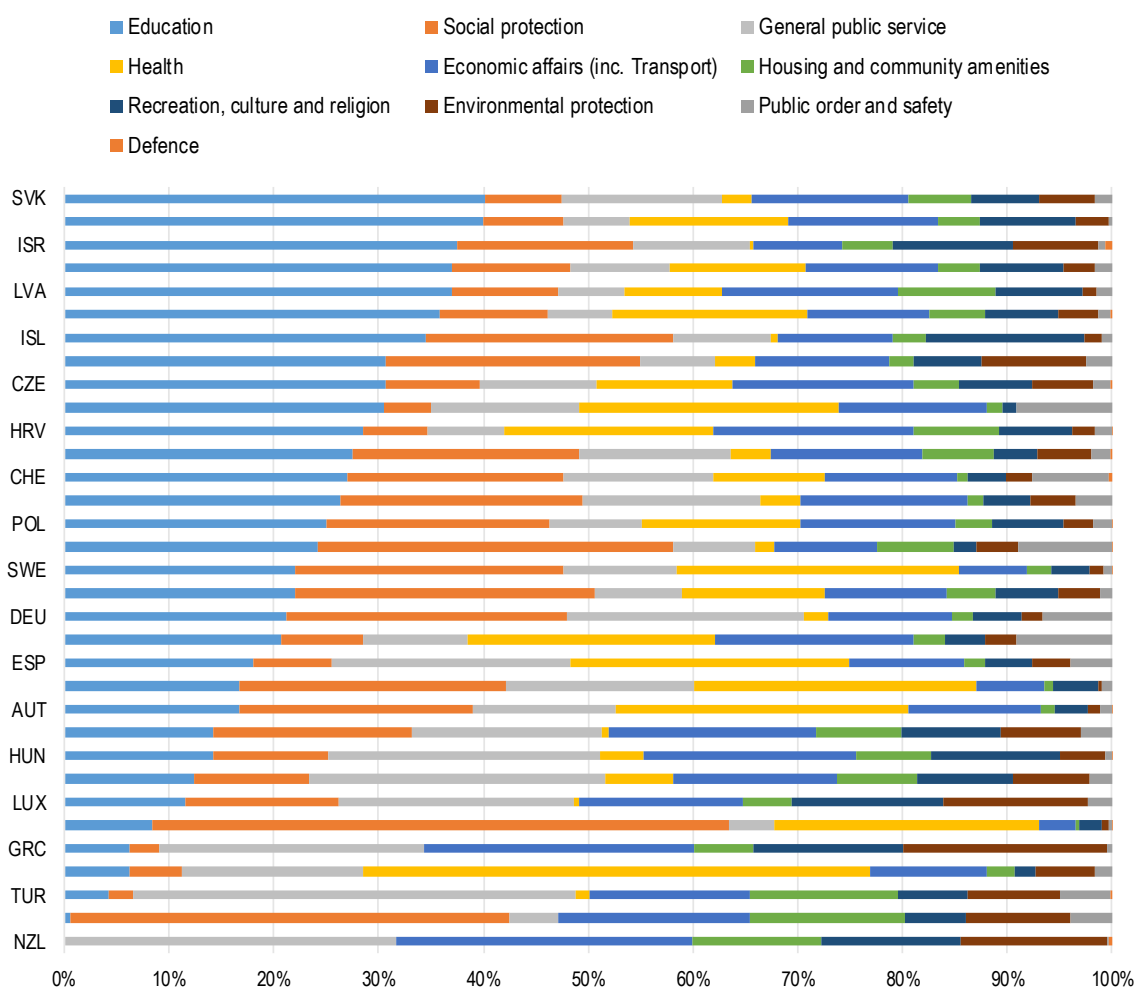
Strengthening subnational fiscal capacity

While subnational governments are responsible for delivering key services, subnational government spending is still below the OECD and EU27 averages. In 2020, regional and local spending accounted for 27.7% of general government expenditure, below the OECD average (36.6%) and the EU27 average (34.3%), but above the EU27 average for unitary countries (21.9%). The share of staff expenditure in subnational government expenditure is significant (44.0% vs. 34.4% in the OECD in 2020 and 32.1% in the EU) and subnational government staff expenditure accounted for more than half of public staff spending, a level in line with the EU27 average (53.6%), but well above the EU27 average for unitary countries (34.7%) (OECD-UCLG, 2022^[4]). However, the discretionary powers of subnational governments are limited, as an important share of spending is made on behalf of the central government, which determines local government employees’ salaries. It is worth noting that regional expenditure has been

continuously growing since the *de facto* creation of regions in 2000, as they have been gaining more spending responsibilities and resources from the decentralisation process. In 2020, they accounted for 47.8% of subnational government expenditure (13.2% of public expenditure, or 6.2% of gross domestic product [GDP]), while municipalities accounted for the remaining 52.2% (14.5% of public expenditure, or 6.8% of GDP) (OECD-UCLG, 2022^[4]).

The largest category of subnational spending in 2020 was education, accounting for 30.6% of subnational expenditure and almost half (49.3%) of total public spending in education. The second most important area of spending was economic affairs (17.2%), particularly transport, followed by health (13%) and general public services (11.1%). The share of health in subnational government spending has increased significantly since 2013, as decentralisation of healthcare has ramped up (OECD-UCLG, 2022^[4]). Subnational governments are also responsible for almost 80% of total public expenditure in environmental protection policies, as well as for 71.1% in the sector of housing and community amenities (OECD-UCLG, 2022^[4]). Even in cases where much of the funding is covered by the state or social funds, local governments are often responsible for setting up, investing and managing the delivery of services (OECD, 2020^[8]).

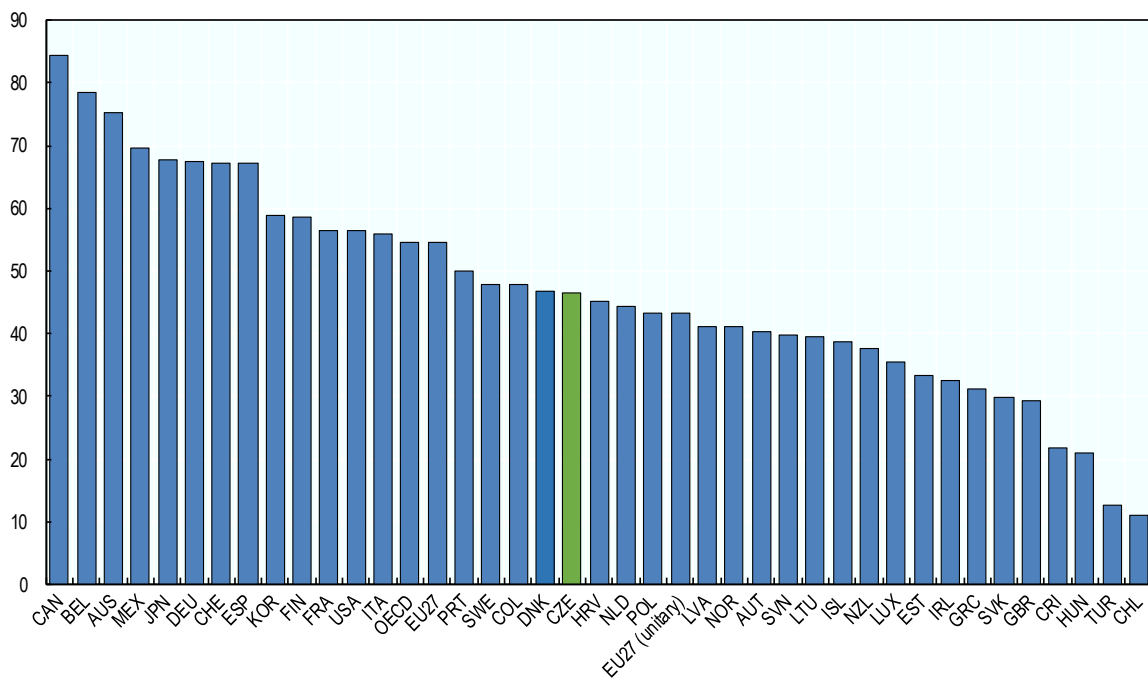
Figure 4.7. Subnational government expenditure by functional classification as a percentage of total subnational expenditures, 2020



Source: OECD-UCLG (2022^[68])

On average, Czech regions and municipalities are important investors, but investment per capita in small municipalities is very low. Subnational government investment represented 46.4% of public investment in 2020, below the OECD and EU averages (54.6% and 54.4%, respectively, in 2020) but slightly above the EU average for unitary countries (43.2%). In 2020, most subnational government investments were dedicated to economic affairs and transport (30.7%); education (25.6%); environmental protection (12.2%); and recreation, culture and religion (11.5%). Despite the increasing role of regions in investment, the municipal level remained the primary subnational government investor, accounting for 64.3% of subnational government investment was done at the municipal level in 2020. Investment per capita in small municipalities (less than 500 inhabitants), however, represents less than half of investment per capita in medium-sized municipalities (5 000-10 000 inhabitants) as well as large municipalities (more than 100 000 inhabitants). As explained earlier in this chapter, the low levels of investment in small municipalities compared to that of medium or large cities is largely due to a lack of skills and administrative capacity to deal with complex investment projects.

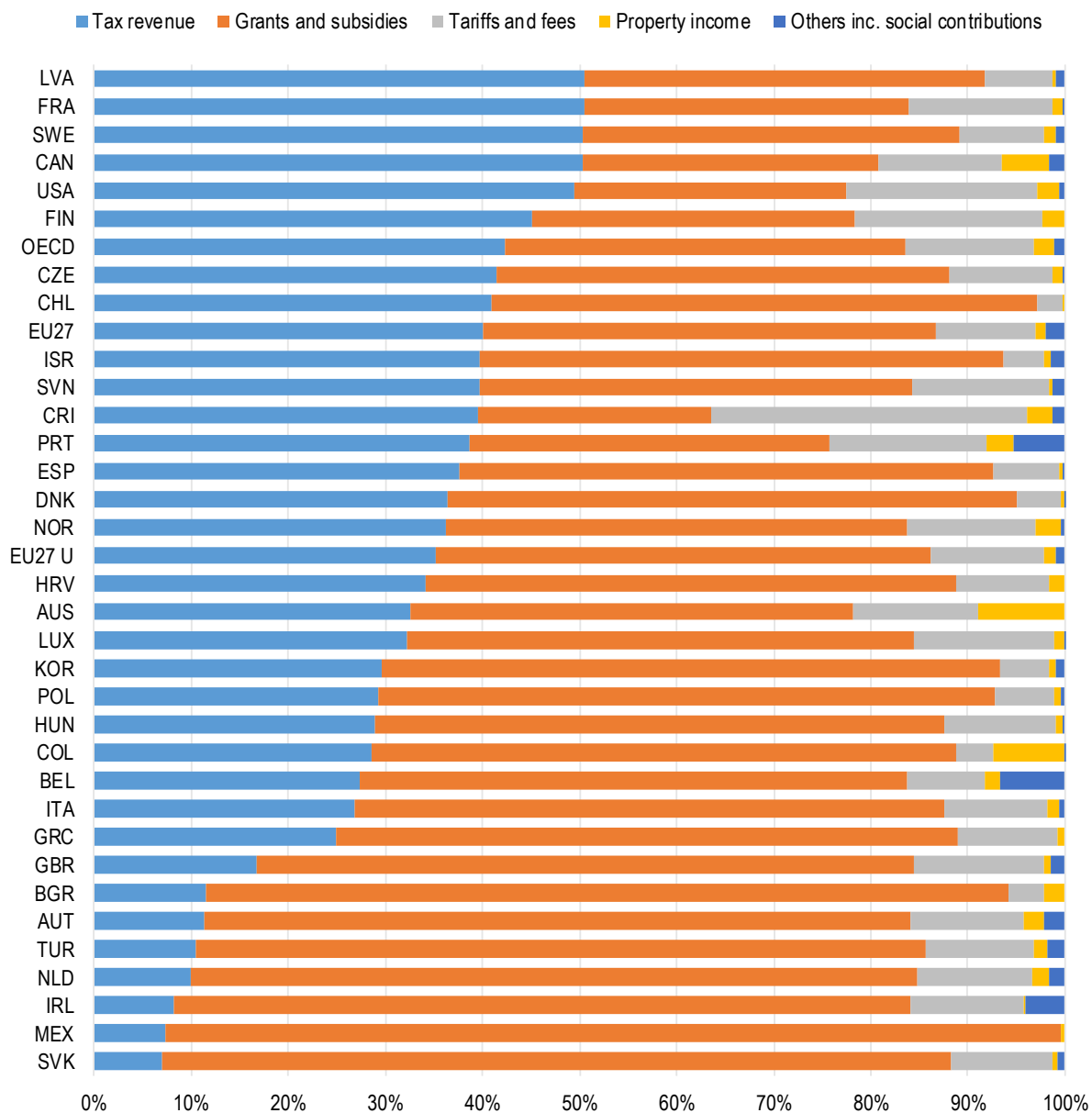
Figure 4.8. Subnational public investment as a percentage of total public investment, 2020



Source: OECD-UCLG (2022^[68])

According to the Local Finance Act 243/2000, subnational government's revenue comes mainly from a mix of taxes and intergovernmental transfers from the central government. Taxes (shared and own-source) and transfers (grants and subsidies) accounted for more than 88% of subnational revenues in 2020, while tariffs and fees amounted to 10.5% (Figure 4.9).

Figure 4.9. Subnational government revenues by type, percentage of total subnational government revenue, 2020



Source: OECD-UCLG (2022^[68])

Subnational governments are strongly dependent on central grants and subsidies mostly aimed at funding state delegated functions. In 2020, grants and subsidies accounted for 46.7% of subnational revenue (vs 41.2% in the OECD, 46.6% in the EU27, and 51.1% in the EU27 unitary countries). There is a complex system of grants from the central government to subnational governments in the Czech Republic. Transfers include hundreds of subsidy schemes, which are mostly earmarked. Grants typically come from the national budget or the budget of several state funds. Grants for current expenditure are based on a formula set by the Ministry of the Interior and are, for example, used to finance education, specific development programmes or infrastructure maintenance. The formula for municipalities is based on their population and the extent of their delegated competencies. Municipalities with extended powers receive

an additional transfer from the state. However, the link between the cost of providing delegated services and the amount transferred for these services is small, which reduces efficiency. This is particularly true for education grants, a major component of central government earmarked transfers, which are allocated on a per-student basis and do not reflect the actual cost of the service. Some transfers are fixed and relatively stable over time, such as social transfers for regions to cover healthcare funding. In addition, municipalities can apply for subsidies from the regions, which can stem from the individual responsibility of the region (e.g. for a specific regional programme) or from the redistribution of state subsidies (e.g. for teacher salaries) (OECD-UCLG, 2022^[4]). While this system ensures subnational governments some stability, especially for small municipalities, it also limits their autonomy. There is thus space to increase the use of non-earmarked grants that would match funding facilitating efficiency and innovation from the bottom.

Tax revenues represent a significant source of subnational government revenue, especially for municipalities, but tax autonomy is limited, as taxes are mostly shared. Subnational government tax revenue accounted for a significant share of subnational government revenue in 2020 (41.4%), close to the OECD (42.4%) and EU27 average (40.1%), and above the EU27 average for unitary countries (Figure 4.9). However, subnational governments raise a very small proportion of total taxes, as subnational tax revenues represent 28% of public tax revenue and 5.6% of GDP. The rest goes to the central government and the state fund for traffic infrastructure, according to a complex tax-sharing system.

In addition to being complex, the tax sharing formula implicitly encourages municipal fragmentation. Each individual region's share was set in legislation in 2005, with a coefficient roughly in line with the estimated costs for delivering autonomous competences. For municipalities, the calculation is more complex and tends to favour small municipalities, with the exception of the four biggest cities. Population size is the main criterion (88%), the others being the number of children in nursery and primary schools and the size of the cadastral area. Act No. 609/2020, which amended some tax acts, increased the shares for regions to 9.78% (from 8.92%) and for municipalities to 25.84% (from 23.58%) in 2021. This tax-sharing scheme induces some equalisation between municipalities that compensates, to a certain extent, the non-existence of an equalisation grant at the regional or municipal levels (OECD-UCLG, 2022^[4]). However, the formula implicitly encourages very small municipalities to remain small as, on average, they receive significantly more tax revenue per inhabitant (Sila and de la Maisonnette, 2021^[69]). While it is true that it is important to compensate small municipalities for the higher per capita costs of delivering basic services, it is also true that, given the strong administrative fragmentation, the tax-sharing formula could be made more neutral for small municipalities, so they do not have strong incentives to remain small.

Own-source taxes represent a small share of subnational government revenue. Regional governments do not collect their own taxes and the property tax on land and buildings is the only tax levied by municipalities. The property tax, based on the size of the property rather than its value, remains a minor tax, accounting for 3.6% of subnational government tax revenue, 1.5% of subnational government revenue and 0.2% of GDP in 2020, which is one of the lowest in the OECD (the OECD average was 1.0% of GDP in 2019). In 2009, a marginal rate was introduced to give municipalities some autonomy over tax rates, so they can increase the rate up to five times the minimum threshold. However, most municipalities tend to set their local property tax rate at the lower level set by the central government, and less than 10% of municipalities have made use of the possibility to increase tax rates (OECD-UCLG, 2022^[4]; Andrlík, Halamová and Formanová, 2021^[70]). Municipalities have also set a wide range of exemptions for this tax. In its 2022 Policy Statement, the government announced it would expand the municipalities' leeway to set the coefficient of the real estate tax. To complement local tax revenues, Czech municipalities have the right to set seven local fees, including water and sewerage charges, municipal waste collection fees, and library fees.

Reforming the tax sharing formula and providing more tax autonomy to some local governments may help improve their efficiency. International evidence shows that subnational governments are more efficient when local residents self-finance local services through local taxes and charges (Sila and de la Maisonnette, 2021^[69]). As suggested by previous OECD work, the tax autonomy of Czech local

governments can be strengthened by encouraging municipalities to raise more revenue from the property tax. Indeed, collecting higher levels of property tax not only strengthens the local fiscal base, but also means a counter-cyclical revenue source that provides stability for local revenues (OECD, 2020^[8]). This is particularly relevant in the current context of uncertainty, considering that unexpected crises will likely be more common in the coming years. For this, property tax evaluation should be based on regularly updated estimates of property value rather than the size of the property, as it is today. To avoid resistance to the tax and unintended consequences for vulnerable households, targeted means-tested exemptions could be introduced (OECD, 2020^[8]). Increasing the municipal tax base may be another way to strengthen tax autonomy. For this, and as recommended by previous OECD analysis, the tax-sharing formula could be tweaked to disincentivise small size of municipalities (see above) and to raise the weight of factors linked to economic activity (number of employees) and income (OECD, 2020^[8]). In addition, mirroring the asymmetric assignment of responsibilities, the Czech Republic might consider designating, for example, the municipal income tax as own-source only for certain types of municipalities or large cities, as small municipalities do not necessarily reach an optimum size to collect taxes efficiently. This would need to be accompanied by adequate equalisation mechanisms (see below).

Due to changing demographic trends, and to reduce territorial inequalities, there is growing pressure for horizontal revenue redistribution across subnational governments. Many OECD countries resort to fiscal equalisation. There are a wide variety of fiscal equalisation models. Most can be classified depending on whether they equalise fiscal capacity or expenditure needs, or a combination of both; whether they are funded by vertical or horizontal grants; and whether they pursue a full or partial equalisation goal. However, many combine multiple features and some issues are relevant to all systems (Dougherty et al., 2022^[71]). Currently, some implicit equalisation elements can be found in the tax-sharing formula (see above); and transfers dedicated to special programmes for structurally affected areas (such as RE:START to support the coal mining regions). However, these mechanisms do not necessarily have clear and transparent equalisation objectives. This is why the Czech Republic could benefit from an equalisation system that promotes the tax and development efforts of subnational governments (Sila and de la Maisonnette, 2021^[69]), while at the same time makes the objectives of reducing territorial inequalities explicit, clear and agreed upon by all relevant actors.

Recommendations to strengthen subnational finance

Expand the use of non-earmarked transfers to subnational governments to strengthen their autonomy. While the earmarked grant system ensures some stability to subnational governments, especially for small municipalities, it also limits their autonomy. There is space to increase the use of non-earmarked transfers to match funding, facilitating efficiency and innovation from the bottom. Introducing some performance criteria in the use of grants could also increase their efficiency.

Providing more tax autonomy to some local governments may help improve their efficiency. As suggested by previous OECD work, the tax autonomy of Czech local governments can be strengthened by encouraging regions and municipalities to raise more revenue from the property tax. For this, property tax evaluation should be based on regularly updated estimates of property value rather than on the size of the property, as it is today. To avoid resistance to the tax and unintended consequences for vulnerable households, targeted means-tested exemptions could be introduced. Increasing the municipal tax base may be another way to strengthen tax autonomy. For this, and as recommended by previous OECD analysis, the tax-sharing formula could be tweaked to disincentivise small size of municipalities and to raise the weight of factors linked to economic activity (number of employees) and income. In addition, mirroring the asymmetric assignment of responsibilities, the Czech Republic might consider designating, for example, the municipal income tax as own-source only for certain types of municipalities or large cities, as small municipalities do not necessarily reach an optimum size to collect taxes efficiently.

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Notes

¹ According to the draft law, the status of Community of Municipalities can be acquired if the union groups at least 15 municipalities or at least three fifths of all municipalities from the administrative district, if less than 30 municipalities belong to this administrative district. A municipality can be member of only one Community of Municipalities.

² The Strategic Framework Czech Republic 2030 was prepared by the Sustainable Development Unit in the Office of the Government. The unit was transferred to the Ministry of the Environment in 2018. The implementation of the Strategic Framework has been steered by the Ministry of Environment since then. See Chapter 2 for more details.

³ The vision is "Responsible use of land creates the conditions for a balanced and harmonious development of municipalities and regions, improves spatial cohesion, directs the suburbanisation trend and limits forced mobility. Cities and towns create preconditions for maintaining and improving the quality of life of their population. Competent public administration communicates openly with citizens and integrates them systematically into decision-making and planning. Housing is adapted to climate change."

⁴ The five types are: metropolitan areas; agglomerations; regional centres and their hinterlands; structurally affected regions; economically and socially vulnerable areas.

⁵ This is a co-ordination platform that gathers representatives from the Ministry of Regional Development and regional and local stakeholders (e.g. regional governments, the Union of Towns and Municipalities, the Association of Municipalities, integrated territorial investment municipalities, non-governmental organisations, etc.) to co-ordinate the preparation and implementation of the RDS 21+ in the regions.

⁶ This structure is partly influenced by the Law on Competency, which strictly defines the responsibilities of each ministry, without providing sufficient flexibility and motivation for inter-ministerial co-ordination and co-operation to address cross-sector issues. See Chapter 2 for a more detailed analysis.

⁷ Such incentives should be designed with careful consideration to avoid creating inequalities. Some small municipalities may not have sufficient administrative capacity in strategic planning, and national funding schemes should not "punish" them. The quality of strategic linkage is only one criterion or value-added point.

⁸ For instance, the Ministry of Regional Development's online toolkit to support strategic management and planning in public administration, available at: <https://www.mmr.cz/cs/microsites/portal-strategicke-prace-v-ceske-republice/nastroje-a-metodicka-podpora/podpora-strategickeho-rizeni-a-planovani-ve-verejn>.

⁹ However, this database may not cover all local strategies and is not up to date. For further analysis regarding registry of strategies in the Czech Republic, please refer to Chapter 2 on Centre-of-Government.

¹⁰ The seven SUD strategies are: Prague, Brno, Ostrava, Pilsen, Ústí-Chomutov, Olomouc and Hradec-Pardubice.

¹¹ The proposed legislation identifies that a Community of Municipalities should cover at least 20 municipalities, or at least three fifths of all municipalities from the administrative district of the municipalities with extended powers. Further information can be found in the previous section on *Enhancing inter-municipal cooperation to foster efficiency in the regional and local public administration*.

¹² <https://www.obcepro.cz>.

¹³ Insolvency of a municipality is defined as a state where the municipality is unable to meet its financial obligations and provide basic services to its citizens.

¹⁴ The salary grade is determined on the basis of the Government Regulation on the catalogue of jobs in the public services and administration and corresponds to the classification of the most demanding work which the employer requires the employee to perform. The salary step is determined by the amount of professional experience to be credited and the rate of credit for that experience (all defined by law).

5 The Uptake of Digital Government Tools and the Development of User-driven Digital Services in the Czech Republic

This chapter analyses the governance of digital government in the Czech Republic. It focuses on two facets of the OECD Framework on the Governance of Digital Government – Facet 2: Institutional models and Facet 3: Policy levers. The first section assesses the formal and informal institutional arrangements that would enable the Czech government to provide the necessary leadership and secure co-ordination and collaboration across the public sector. The second section discusses policy levers that can help strengthen the institutional capacities to better design and deliver quality services to users. The last section explores policy recommendations for the Czech Republic for strengthening its governance of digital government to design and deliver better services and promote public sector innovation.

Introduction

In today's geopolitical climate, governments are expected to be resilient, responsive and agile to mitigate unexpected challenges. The COVID-19 pandemic demonstrated the undeniable value of the strategic use of digital technologies and data when responding to these challenges. Over the past two years, governments have prioritised digital transformation in their national agendas. Governments need to continue their efforts and sustain advancements in the digital transformation of the public sector.

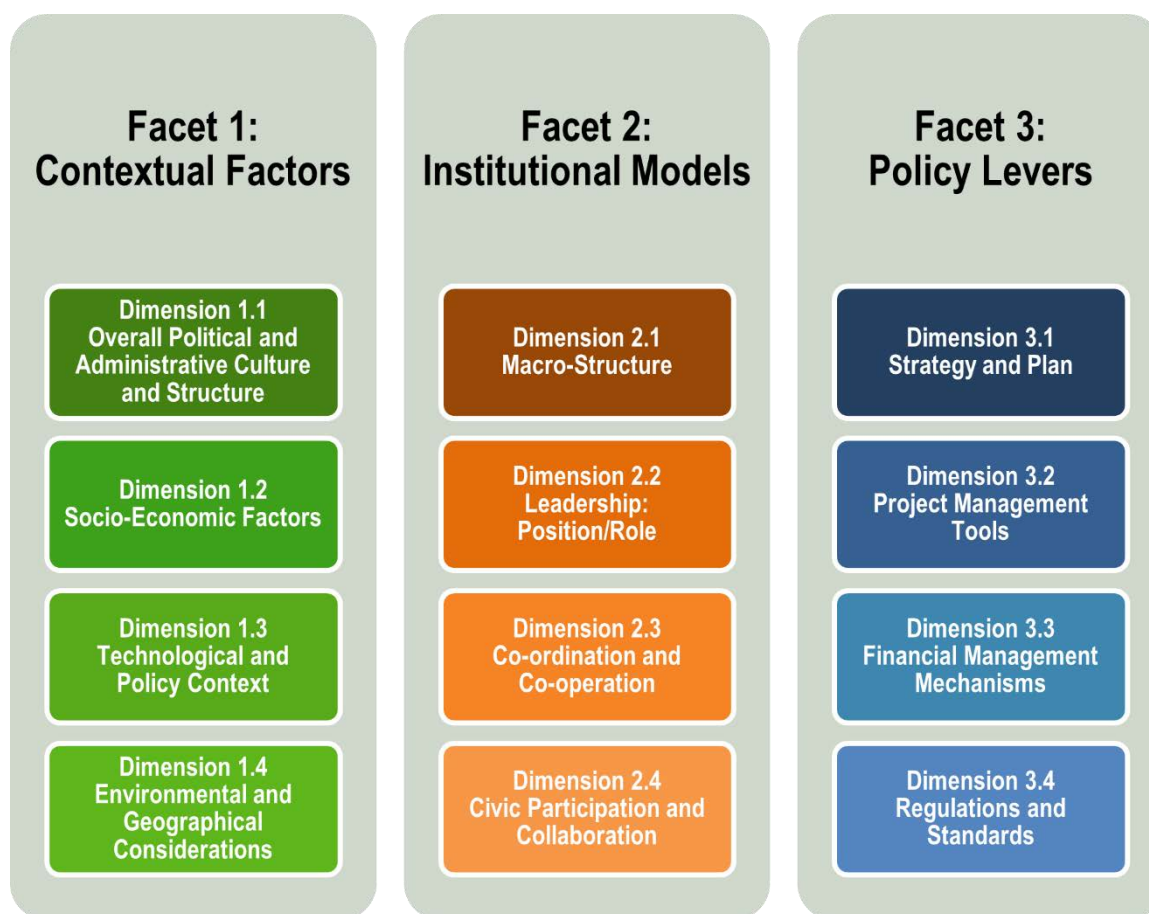
Robust governance is key in navigating the complexity of the digital transformation to drive change across the public sector. With such governance, governments can envision and enable a holistic digital transformation, fostering a collaborative and inclusive digital ecosystem across the public sector. The results of the OECD Digital Government Index 2019 highlight the importance of solid governance of governments to become digitally mature (OECD, 2020^[1]). Such governance allows governments to move away from thinking in silos towards a strategic system-thinking approach, providing the foundation for designing and delivering user-driven public services.

In line with the OECD Recommendation of the Council on Digital Government Strategies (OECD, 2014^[2]), the OECD Working Party of Senior Digital Government Officials (E-Leaders) developed the *E-Leaders Handbook on the Governance of Digital Government* (OECD, 2021^[3]), building on the insights, knowledge and good practices of OECD member and partner countries. The handbook presents the OECD Framework on the Governance of Digital Government, which supports governments in establishing effective governance frameworks and institutional capacities towards digital maturity.

The OECD Framework on the Governance of Digital Government introduces three critical governance facets (Figure 5.1):

1. **Contextual factors** defines country-specific characteristics – political, administrative, socio-economical, technological, policy and geographical – to be considered when designing policies to ensure a human-centred, inclusive and sustainable digital transformation of the public sector.
2. **Institutional models** presents different institutional set-ups, approaches, arrangements and mechanisms within the public sector and digital ecosystem, which direct the design and implementation of digital government policies in a sustainable manner.
3. **Policy levers** enumerates policy instruments that support governments to ensure a sound and coherent digital transformation of the public sector.

Figure 5.1. The OECD Framework on the Governance of Digital Government



Source: OECD (2021^[3]), *The E-Leaders Handbook on the Governance of Digital Government*

This chapter analyses the governance of digital government in the Czech Republic. It focuses on two facets of the governance framework – Facet 2: Institutional models and Facet 3: Policy levers (see Figure 5.1). The first section assesses the formal and informal institutional arrangements that would enable the Czech government to provide the necessary leadership and secure co-ordination and collaboration to promote innovation, efficiency, effectiveness and trustworthiness across the public sector. The second section discusses policy levers, soft or hard policy instruments, that can help strengthen institutional capacities to better design and deliver inclusive, sustainable and quality services to its users. The last section explores policy recommendations for the Czech Republic on strengthening its governance for digital government to design and deliver better services for its users and promote public sector innovation.

Governance to lead the digital transformation and public sector innovation

Snapshot of digital government in the Czech Republic

The Czech Republic has invested significant efforts in transforming the economy, society and public sector through the whole-of-government strategic programme, Digital Czech Republic Programme. Launched in 2018 and updated annually with the accompanying implementation plans, the programme contains three interconnected pillars: 1) Czech Republic in Digital Europe; 2) Information Strategy of the Czech Republic; and 3) Digital Economy and Society (European Commission, 2022^[4]). In line with the targets and objectives

for 2030 of the European Commission’s Digital Decade policy programme, the Czech Republic plans to broaden the scope of the programme, including the focused pillar on education and digital skills.

The first pillar, “Czech Republic in Digital Europe”, is led by the Office of the Government. It aims to promote a whole-of-government approach to the digital agenda at the European Union (EU) level and ensure compliance with EU regulations. The second pillar, “Information Strategy of the Czech Republic”, is led by the Office of Chief Architect of eGovernment of the Ministry of the Interior¹. It focuses on “e-government” of the Czech Republic. Based on Act No. 365/2000 Coll., the strategy sets out the national agenda for establishing and operating public administration information systems. The third pillar, “Digital Economy and Society”, strives to maximise societal and economic opportunities for digital transformation across the country while minimising possible negative impacts. This cross-cutting strategy is largely led and co-ordinated by the Ministry of Industry and Trade. All three pillars are co-led by the Government Council of Information Society (RVIS).

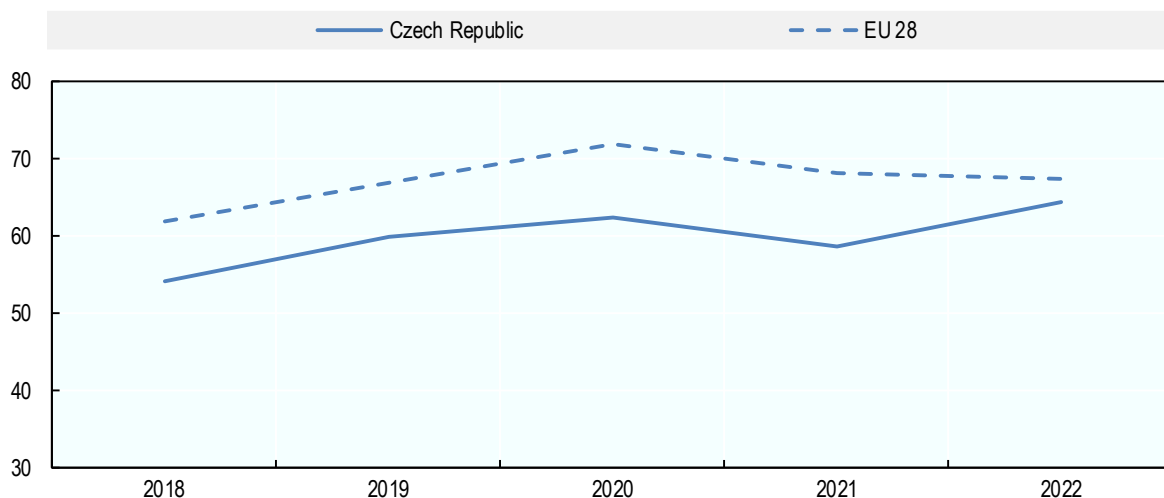
Despite the ambitious plan, progress has been slow over the past few years. The country still lags behind its European peers. In the European Commission’s Digital Economy and Society Index (DESI), the Czech Republic has remained under the EU average for the past four years (Table 5.1). In the area of digital public services, the Czech Republic has gradually improved, narrowing the gap with the EU average. The results of 2022 DESI show that the percentage of e-government users grew 12% from 64% to 76% in one year. Nevertheless, there are still opportunities to improve public service design and delivery (Figure 5.2) (European Commission, 2022^[5]).

Table 5.1. Digital Economy and Society Index 2019-2022: Czech Republic

	2019	2020	2021	2022
Average of European Union countries	52.5	52.6	50.7	52.3
Czech Republic	50.0	50.8	47.4	49.1

Source: European Commission (2022^[5]), *Digital Economy and Society Index (DESI) 2022 - Czechia*

Figure 5.2. Digital Economy and Society Index Digital Public Service 2018-2022: Czech Republic



Source: European Commission (2022^[5]), *Digital Economy and Society Index (DESI) 2022 - Czechia*

In January 2022, the new government of Petr Fiala approved the national programme, which includes the digitalisation of the public sector as one of its main priorities. The programme envisions a momentous change to the governance of digital government in the Czech Republic that can drive the digital transformation across all central government bodies. The newly appointed deputy prime minister for digitalisation announced a plan to establish the Digital Information Agency (DIA) to drive the digital transformation of central and local governments in close co-ordination with the Cabinet of Deputy Prime Minister for Digitalisation and the RVIS (Government of the Czech Republic, 2022^[6]).

Furthermore, under the Digital Czech Republic Programme, the government continues to prioritise and implement key digital initiatives to facilitate such a transformation (European Commission, 2022^[4]). For instance, the Czech Republic plans to complete the implementation of the Act on the Right to Digital Services, the “Digital Constitution” that will give all citizens the right to access public sector services digitally by 2025. The government created various digital services in an agile, yet unconventional, manner during the COVID-19 pandemic, and is currently trying to secure continuity for these services.

The Czech Republic’s Recovery and Resilience Plan also outlines support for the digital transition of society. It plans to improve connectivity across the country and enhance the digital skills of society. In addition, it aims to facilitate the digital transformation of the public sector, and to strengthen cybersecurity (European Commission, 2022^[7]).

Overall, the Czech Republic is well-positioned to strive towards greater digital government maturity with a whole-of-government strategy supported by the highest political leadership. In addition, the “Digital Constitution” provides a solid legal ground for the government to facilitate the ongoing efforts in digitalising the public sector and delivering services for the digital age. Nonetheless, to ensure the coherent and sustainable implementation of such an ambitious plan across the public sector to bring impact, it is critical for the Czech Republic to enact the foreseen changes to consolidate the governance of digital government and equip the public sector with key policy levers to design and deliver public services to all users.

Leading the Czech digital government to maturity

The complexity of digital transformation in the public sector requires an organisation-in-charge that can steer a national digital government agenda in a coherent and sustainable manner through internal and external changes. Taking into consideration the national context, the organisation-in-charge needs to be placed where it can incorporate the digital government strategy across the public sector comprehensively with the necessary political support.

Although approaches to the institutional structure vary from one country to the other, the OECD Digital Government Index 2019 revealed that all 33 participating countries have an organisation that leads and co-ordinates decisions on digital government at the central level of government (OECD, 2020^[1]). Some countries locate the organisation-in-charge within the centre of government (e.g. Chile, France, the Republic of Türkiye and the United Kingdom), while others place it in a line ministry (e.g. Estonia, Greece and Luxembourg) or under a co-ordinating ministry, such as the Ministry of Finance or the Ministry of Public Administration (e.g. Denmark, Korea, Portugal and Sweden) (OECD, 2021^[3]).

The organisation-in-charge also needs to have well-defined co-ordination, advisory and decision-making responsibilities (Box 5.1). It needs to be empowered to bring together and manage the relations of different stakeholders for digital government policies, provide advice, and take decisions that can bring the whole-of-government to digital government maturity (OECD, 2021^[3]).

Box 5.1. Roles and responsibilities of the organisation-in-charge

Co-ordination responsibilities include the horizontal and vertical co-ordination of the development of the national digital government strategy, with other public sector organisations on its implementation and with local governments to align the development of digital government projects with the objectives of the national digital government strategy.

Advisory responsibilities include the provision of counsel and guidance on the development of the national digital government strategy; the monitoring of its implementation; the support of the development and implementation of digital government strategies at an organisational level; the development of technical guidelines for ICT/digital architecture; and horizontal co-ordination among public sector organisations.

Decision-making responsibilities include the powers and duties to take important decisions with considerable accountability across the government, including the prioritisation and approval of ICT/digital government project investments; *ex ante* revisions, evaluation and external reviews of ICT/digital government projects; the provision of financial support for developing and implementing ICT/digital government projects.

Source: OECD (2021^[3]), *The E-Leaders Handbook on the Governance of Digital Government*

Until recently, in the Czech Republic, the role and responsibilities of the organisation-in-charge of digital government were mainly shared between the Cabinet of Deputy Prime Minister for Digitalisation and the Ministry of the Interior. Inaugurated in January 2022, the Cabinet of Deputy Prime Minister for Digitalisation introduced a vision to transform the governance of digital government. It has started to align all ongoing initiatives on digital transformation. The Ministry of the Interior has been the central government authority governing the central information systems and shared services for the public sector, including the citizen portal, gov.cz, the Registry of Rights and Responsibilities (of public administrations) and electronic identification. The ministry was also in charge of developing and enforcing digital government-related legislation and policies, and translating legislation into government processes. Furthermore, each line ministry has led and held responsibility for implementing its sectoral digital strategy within the framework of the Digital Czech Republic Programme.

In efforts to reinforce the governance of digital government, the Czech Republic decided to establish a new organisation, the DIA, to drive the digital transformation of the public sector. On 1 January 2023, Amendment No. 471/2022 (§2a) to the Right to Digital Services Act No. 12/2022 of the Czech Republic (No. 2/1969) came into force, providing a legal foundation for the DIA. The agency will work closely with the Cabinet of Deputy Prime Minister for Digitalisation, which will continue to take strategic and political decisions. At the time of drafting this review, the Czech government announced that the agency would be fully operational within three months from the enacted date. The DIA will absorb most of the responsibilities for the digital transformation of the public sector from other central government bodies, including the Ministry of the Interior and the National Agency for Communication and Information Technologies.

Box 5.2. Country case: The Agency for Electronic Government and the Information and Knowledge Society of Uruguay

The Agency for Electronic Government and the Information and Knowledge Society (AGESIC) is an executing unit with technical autonomy dependent on the Presidency of the Oriental Republic of Uruguay. It was created in December 2005 as the “Agency for the Development of the Government of Electronic Management and the Information and Knowledge Society”. Along with the AGESIC, the government created an Honorary Board of Directors in charge of designing its general lines of action and evaluating its performance and the results obtained, which will be assisted by three other honorary boards: the Council for the Information Society, the Business Advisory Council and the Public Information Technology Advisory Council.

Through this work, AGESIC seeks to innovate and make the ways in which people relate to the public administration more efficient, incorporating digital technologies and better ways of working, focusing on people and based on its guiding principle: “transformation with equity”.

AGESIC’s general objectives are to improve services to citizens using the possibilities offered by ICT and to promote the development of the information and knowledge society in Uruguay. It places emphasis on the integration of the digital practice in society and strengthening society’s skills in the use of technologies.

Source: Government of Uruguay (2023^[8]), Agency for Electronic Government and the Information and Knowledge Society (AGESIC)

The recent changes regarding the organisation-in-charge could hinder the government’s progress towards digital government maturity at the whole-of-government level. As the Czech Republic goes through the process of redefining the institutional structure, it is imperative to clearly identify the roles and responsibilities of the organisation-in-charge, its relations with different bodies, including the RVIS, and interpreting roles of responsibilities of different stakeholders. This process needs to be inclusive for DIA to gain legitimacy from all stakeholders across the public sector. Taking this opportunity to reinforce the governance for digital government would greatly contribute to achieving and sustaining the Czech Republic’s ambitious digital agenda with visible impact.

The creation of the Deputy Prime Minister for Digitalisation brings a sufficient level of political support and opportunities to cover the whole public sector comprehensively. Nonetheless, to ensure the effective leadership and decision-making power of the Cabinet of Deputy Prime Minister for Digitalisation, a formal arrangement firmly defining its mandate needs to be enforced and mutually agreed upon by all stakeholders. Furthermore, the soon-to-be operational DIA needs to be equipped with sufficient institutional capacities to provide shared services and tools, support ministries and public institutions with their digital transformation strategies, advise the government on the digital transformation of the public sector, and drive public sector innovation across the government to ensure coherent implementation of all sectoral digital strategies across the public sector in line with the more comprehensive vision. For instance, the French government established a similar organisation in 2019 to support the government’s digital transformation agenda (Box 5.3).

Box 5.3. Country case: La direction interministérielle du numérique (DINUM) of the French government

Created in October 2019, DINUM is the inter-ministerial digital directorate in charge of the digital transformation of the French public sector. It is placed under the authority of the minister of public sector transformation and the civil service under the Prime Minister's Office. The directorate supports the line ministries in their digital transformation and develops shared services and resources, such as the Inter-ministerial State Network (RIE), [FranceConnect](#) (digital identity service), [data.gouv.fr](#) and [api.gouv.fr](#). DINUM also leads the TECH.GOUV programme to accelerate the digital transformation of the public services in co-ordination with all line ministries.

Organisation

DINUM is composed of one programme directorate, three departments and a general secretariat:

- The **TECH.GOUV programme directorate** steers the inter-ministerial digital transformation programme for public services.
- The **Infrastructures and Operated Services (ISO) Department** designs and operates shared infrastructure and services among different institutions, including the RIE.
- The **Etalab Department** co-ordinates the design and implementation of the national data strategy, including its legal and societal components.
- The **Performance of Digital Services Department** designs inter-ministerial action plans for pooling resources, dematerialising services, project management and quality assurance of digital services, and supports its implementation.
- The **General Secretariat** supports all the DINUM's activities. It handles external and internal communication, the management of human and financial resources, and ensures the quality of the working conditions for its members.

Note: This information has been translated from French.

Source: Direction interministérielle du numérique (France) (2022^[9]), <https://www.numerique.gouv.fr/dinum/>

Strengthening co-ordination to deliver government services with an impact

Co-ordination and co-operation make the digital transformation of the public sector more coherent, consistent and effective. Effective institutional co-ordination enables governments to drive digital transformation holistically with a long-lasting impact on society and the economy. To best avoid a possible crippling impact on the digital transformation of the public sector, all key stakeholders must collaborate on mutually established and agreed-upon objectives and action plans. A co-operative and collaborative culture throughout the public sector can ensure cohesive policy formulation, planning, implementation and monitoring. Potential policy gaps can be avoided, and a diverse policy environment can be fostered. Creative methods can flourish in the public sector by sharing knowledge, experience and lessons learnt.

Inter-ministerial co-ordination is currently carried out by the RVIS, with the involvement of deputy ministers or equivalent from each line ministry and other stakeholders, including the private sector and local governments. Led by the deputy prime minister for digitalisation, the council discusses and agrees on the horizontal issues of the Digital Czech Republic Programme. At the council meetings, representatives can table issues that require inter-ministerial co-ordination.

The council is also supported by thematic working groups composed of experts from different institutions. The thematic discussions at the working level are reported back to the council, bringing the institutions'

needs to the high-level discussions. For instance, the Czech eMandate service was first proposed at the working group level and is now in the development stage through the co-ordinated effort of the council.

Nevertheless, the council serves as more of an advisory group than an effective co-ordination body that plays a strong decision-making and implementation role. The OECD Public Governance Review process revealed that the co-ordination mechanism was quite unstable and that the instability has caused difficulties in the execution of decisions taken at the whole-of-government level. For instance, during the pandemic, weak co-ordination efforts resulted in duplication and significant errors in consolidating data in a central database from social services providers working at the regional level. In addition, the limited sharing of such data created a great barrier for ministries in using the data for their service provision. At the time of drafting this review, the co-ordination mechanism was in transition, given more decision-making responsibilities. For instance, under the new governance of digital government, the RVIS is mandated to approve strategic documents proposed by government bodies.

As the Czech Republic has a decentralised government structure, each regional and local government is in charge of implementing its own digital government, and designing and delivering its own services. At the time of writing, the Office of Chief Architect of eGovernment of the Ministry of the Interior held the mandate to approve all the regional and local governments' ICT/digital projects. Under the ongoing restructuring of the governance of digital government, the Czech government plans to move this function to the DIA as of 1 April 2023. However, to provide consistent quality and inclusive services across the country while ensuring interoperability and responsible use of public resources, the central government needs to make additional efforts to co-ordinate with the regional governments to disseminate the guidelines, standards and common enablers to ensure that users, regardless of where they reside, can access and enjoy the same quality of services.

Box 5.4. Country case: High-level co-ordination in the public sector in Luxembourg

The Inter-Ministerial Committee for Digitalisation

The Inter-Ministerial Committee for Digitalisation was established to co-ordinate ministries in the development and implementation of the strategy and initiatives for digital government and the digitalisation of public services until 2025. It also aims to strengthen the governance of digital government and improve the coherence and cohesion of the digital transformation in the public sector, in line with the Electronic Governance Strategy 2021-2025. Under the leadership and co-presidency of the Ministry for Digitalisation's first government advisor and the government chief information officer, it brings together representatives from all ministries on a high-level platform for horizontal co-ordination on digital government strategies and action plans, sharing best practices and creating synergies among the ministries and administrations in Luxembourg.

The High Committee for Digital Transformation

The High Committee for Digital Transformation under the Ministry for Digitalisation is not yet operational due to delays related to the COVID-19 crisis. It is envisioned to bring together the minister for digitalisation, minister delegate for digitalisation, other ministers relevant for the development of digital government on one side and the private sector, labour unions, non-governmental organisations and IT experts or public research representatives on the other to discuss the national digital transformation, which includes digital government, economy, skills and society, etc. The High Committee for Digital Transformation was launched on 28 September 2022. Making this committee fully operational in the short term will be beneficial for the right and timely implementation of the Electronic Governance Strategy 2021-2025, as several initiatives require strong partnerships and the involvement of external stakeholders.

Source: OECD (2022^[10]), Digital Government Review of Luxembourg: Towards More Digital, Innovative and Inclusive Public Services

Furthermore, a stronger co-ordination mechanism would also help identify opportunities that digital technologies and data can bring for public sector innovation, promoting a government-wide innovation effort, and disseminating good practices across all areas and levels of government. Currently, the Czech public sector is challenged by a lack of political and financial support, awareness of public officials, and legal framework on the public sector innovation agenda. The current legal framework, specifically Act No. 130/2002 on the Support of Research, Development and Innovation from Public Funds, falls short of providing the necessary environment for public sector innovation in the Czech Republic. Despite the existing Innovation Strategy of the Czech Republic 2019-2030, the strategy highly underestimates the necessity and importance of public sector innovation are highly underestimated in the strategy and narrowly scoped only around the digitalisation of public services. The Czech Republic must leverage digital tools and data to facilitate public sector innovation. Nonetheless, public sector innovation needs to be discussed in a broader scope, including fostering an innovative culture across the public sector.

Box 5.5. Country case: Public sector innovation – Impact Canada

“Let’s solve Canada’s biggest challenges: The Government of Canada wants innovative solutions to economic, environmental, and social problems.”

About Impact Canada

Announced in Budget 2017, Impact Canada is a Government of Canada-wide effort to help departments accelerate the adoption of innovative funding approaches to deliver meaningful results to Canadians. The Impact Canada initiative is led by a Centre of Expertise housed within the Impact and Innovation Unit of the Privy Council Office, which also manages this platform in partnership with government departments. A dedicated advisory committee brings together a distinguished group of senior leaders from the private, philanthropic, not-for-profit and academic sectors.

Impact Canada: Challenges

Impact Canada runs different types of “challenges”. Challenges are an open innovation approach. They are designed to crowd-in innovative solutions from a wide variety of actors and sources to expand the government’s problem-solving abilities. Challenges differ from other traditional government funding programmes, as they are designed as an “outcomes-based” approach where innovators are awarded based on the results achieved during the challenge.

Challenges are meant to attract new talent and ideas from a wide variety of actors, and accelerate progress towards solving problems and achieving stronger social, environmental and economic outcomes for citizens.

They provide incentives (both financial and non-financial) to encourage a broad range of innovators to tackle problems where solutions are not apparent or current responses are not achieving the desired results. Innovators are rewarded once they can measurably achieve results and improve on given outcomes.

Source: Government of Canada (2023^[11]), *Impact Canada*

Equipping the public sector with the necessary digital skills and talents

With the accelerated digital transformation across society, governments around the world are pressured to ensure the competency to operate and provide services to their citizens in an increasingly digital world. Governments must equip their workforce with skills that are fit for the 21st century and resilient to economic and social unpredictability. The OECD Framework for Digital Talent and Skills in the Public Sector

highlights what governments need to attain a workforce that can drive their digital governments to maturity. The framework encourages governments to create a conducive environment to enable digital transformation; to develop skills to support digital government maturity; and to establish and maintain a digital workforce (OECD, 2021^[12]).

Under the second pillar of the Digital Czech Republic Programme, “Information Strategy of the Czech Republic”, the Czech government lays out its plan to strengthen the digital talent and skills of the public sector. The plan includes 57 action items to foster an environment to facilitate changes within the public sector, secure necessary digital talents in public institutions, and enhance the capacities and competencies of the existing workforce (Ministry of the Interior of the Czech Republic, 2020^[13]).

Nevertheless, the implementation efforts can be strengthened to maximise the potential impact by identifying the right authority to drive the digital talent and skills agenda. Many of the action items are assigned to less than a handful of central ministries, with some items lacking a responsible institution. Moreover, during the review process, it was observed that the Czech public sector still faces a challenge in attracting and retaining suitable digital talents across the government.

In November 2022, the government of the Czech Republic decided to create a dedicated pillar within the Digital Czech Republic Programme to better address these challenges and streamline ongoing efforts to enhance digital skills and competencies across the public sector. At the time of drafting, the government was defining the structure and objectives of the pillar.

Box 5.6. Digital talent and skills initiative in the United Kingdom

Digital, Data and Technology Profession Team

In the United Kingdom, the Digital, Data and Technology Profession Team in the Central Digital and Data Office focuses on helping the government attract, develop and retain the people and skills needed to support the digital government transformation. Its strategy aims to ensure a co-ordinated and holistic approach across all departments by maximising, sharing and building on best practices. Priorities cover workforce planning through analytics; job role consistency through a common capability framework; pay and reward consistency; training and development for digital, data and technology professions; and a diverse and inclusive culture.

Source: Welby and Tan (2022^[14]), “Designing and delivering public services in the digital age”, Going Digital Toolkit Note, No. 22

Engaging users for a more inclusive digital transformation of the public sector

The 2017 OECD Recommendation of the Council on Open Government (OECD, 2022^[15])² acknowledges that citizens’ participation can increase civic capacity, strengthen evidence-informed policymaking, lower implementation costs, and tap into wider networks and ecosystems for innovation in policymaking and service delivery. It can also increase citizen empowerment and their influence on policy decisions. User engagement includes the processes of educating, consulting and involving stakeholders in the design and delivery of policies and services. Collaboration further facilitates shared ownership, roles and responsibilities between the public sector and users in the creation and implementation of policies and services (Welby and Tan, 2022^[14]).

The Czech government engages users in service design and delivery at a very limited capacity. The government takes into account user feedback through surveys and UX testing. This practice helps the government ensure the clarity and user-friendliness of the services provided. The Ministry of the Interior also monitors web traffic and user data to improve user accessibility. Nevertheless, little evidence was

found during the review process on engaging users throughout the service design and delivery cycle. A lack of formal requirements and practices to engage users in the cycle in a meaningful way limits opportunities for the government to be user-driven. This can also be affecting the uptake of digital services among users in the Czech Republic. For instance, it would be beneficial for the government to engage users in prioritising public services to be digitally transformed and provided through the citizens' portal, gov.cz, as it continues developing the portal.

Policy levers to strengthen institutional capacity for digital transformation

Policy levers enable governments to design and implement digital government strategies and the delivery of services to users with a sustainable impact, serving the needs of citizens and businesses. The *E-Leaders Handbook on the Governance of Digital Government* defines the third facet of the OECD Framework on the Governance of Digital Government – policy levers – as tools to underpin the implementation of governments' digital transformation strategy. It focuses on strategy and plan, project management tools, financial management mechanisms, and regulations and standards (see Figure 5.1). For the purpose of this chapter, this section focuses on key policy levers to improve the design and delivery of inclusive, sustainable and quality services to users in the Czech context.

Strategy with key performance indicators to measure progress and ensure continuity

A digital government strategy needs to include a strategic vision, objectives and priorities, as well as key stakeholders and specific action plans for execution and oversight. In addition to reflecting sectoral needs and priorities, it should align with a broader national agenda or policy priorities (e.g. administrative reform, sustainable development, climate change and the environment, education, research, and technology, etc.) (OECD, 2021^[3]).

In the Czech Republic, the cross-sector digitalisation of the public administration has been carried out under the umbrella strategy, the Digital Czech Republic Programme. Under the shared objective of creating an environment for the long-term prosperity of the Czech Republic, the programme specifies targets and a time frame for implementation. Based on the programme, an annual implementation plan is set up through the RVIS. From the catalogue of project proposals, priority projects are determined and financed in line with the national budgetary process.

The cross-sectoral programme lays out the blueprint for the Czech Republic to become a digitally mature country. Nevertheless, it can further strengthen monitoring and assessment mechanisms for the implementation of digital government initiatives to measure implementation progress and identify gaps. For example, a clear set of key performance indicators (KPIs) could help the government measure the public sector institutions' performance towards meeting the shared objective and key actions under the programme. By publishing its progress publicly, the government can also improve its transparency and build trust in government.

In Singapore, the government has included KPIs in the Digital Government Blueprint (Table 5.2). The government regularly reviewed and updated the KPIs with a new indicator when needed, reflecting the fast-changing speed of digital transformation and unpredictable geopolitical events. The KPIs have helped the Singaporean government assess its performance and identify where it is lagging behind (Smart Nation and Digital Government Office of Singapore, 2020^[16]).

Table 5.2. Singapore’s 15 key performance indicators to measure the government’s digitalisation progress

S/N	Key performance indicator	By 2023
Stakeholder satisfaction		
1	Citizen Satisfaction with Digital Services (via survey)	75-80% to rate very satisfied
2	Business Satisfaction with Digital Services (via survey)	75-80% to rate very satisfied
End-to-end digital options		
3	Services that offer e-payment options (inbound and outbound)	100%
4	Services that are pre-filled with government-verified data	100%
5	Services that offer digital options for wet ink signatures	100%
End-to-end digital transactions		
6	Percentage of transactions completed digitally from end-to-end	90-95%
7	Percentage of payments (inbound and outbound) completed via e-payments	100%
Digital capabilities		
8	Number of public officers trained in data analytics and data science	20 000
9	Number of public officers with basic digital literacy	All public officers
Transformative digital projects		
10	Number of transformative digital projects	30-50 projects
Artificial intelligence, data and data analytics		
11	Percentage of ministry families that use artificial intelligence for service delivery or policymaking	All ministry families to have at least one artificial intelligence project
12	Number of high-impact data analytics projects	10 cross-agency projects per year and 2 projects per ministry family per year
13	Core data fields in machine readable format, and transmittable by application programming interfaces	90-100%
14	Time required to share data for cross-agency projects	No more than 7 working days to share data for cross-agency projects
Commercial cloud migration		
15	Percentage of eligible government systems on commercial cloud	70%

Source: Smart Nation and Digital Government Office of Singapore (2020^[16]), Digital Government Blueprint

Need to further enforce the use of standardised tools and services

Through the adoption of standardised tools and services throughout the public sector, governments may maximise efficiency and avoid duplication of efforts and expenditures. Clear business cases, agile project management and strategic acquisition of digital technology are essential components of Pillar 3 of the OECD Recommendation of the Council on Digital Government Strategies (OECD, 2014^[2]). These policy levers support the sustainability of digital initiatives and the implementation of policies that are aligned with the digital government strategy.

The Czech Republic has put in place a set of standardised methodologies for all central government institutions, from presenting business cases to managing data, digital and information technology projects. Developed and enforced by the Office of Chief Architect of eGovernment of the Ministry of the Interior, the Information Strategy of the Czech Republic clearly sets out the goals and directions at the whole-of-government level (Ministry of the Interior of the Czech Republic, 2022^[17]). Composed of several chapters and annexes, this comprehensive document provides general principles, from planning, procurement and creation to operation in detail (Box 5.7). It is accompanied by the forms each central institution needs to complete to present their business case for ICT projects for approval by the Office of Chief Architect of eGovernment. The National eGovernment Architecture Knowledge Base provides essential information and best practices to support public sector stakeholders to properly design, procure, implement and manage information services.

Furthermore, with support from the National Agency for Communication and Information Technologies, the Ministry of the Interior provides shared infrastructure and services to public sector institutions, including data centres and cybersecurity. During the approval process of ICT projects, the ministry encourages other institutions to use available common infrastructure and services. In addition, the Ministry of the Interior provides support for public sector institutions to develop and provide digital services through its service called PMA³. It can assist a requesting institution in conducting desk research, possibility analysis, or user testing and evaluation (Ministry of the Interior of the Czech Republic, 2020_[18]).

Box 5.7. Information Strategy of the Czech Republic

Contents of the main document

- The goal and mission of e-government in the Czech Republic.
- The main objectives of the Information Concept of the Czech Republic.
- The general principles for fulfilling the objectives of the Information Concept of the Czech Republic.
- The general principles of acquiring, creating, managing and operating public administration information systems.
- A list of digital representatives of individual departments.

Accompanying documents to the Information Concept of the Czech Republic

- Implementation plans of the main objectives.
- ICT management methods of the Czech public administration.
- Glossary of e-government terms.
- National architectural framework and plan.

Source: Ministry of the Interior of the Czech Republic (2022_[17]), Information Concept of the Czech Republic

The Czech Republic has developed relatively well-structured standardised project management tools along with principles and guidelines at the central level of the government. The OECD Digital Government Policy Framework highlights the importance for a government to act as a platform that provides clear and transparent guidelines, tools, data and software to meet the needs of teams to design and deliver user-driven, consistent, seamless, proactive and cross-sectoral service (OECD, 2020_[19]). The Czech Republic can further advance towards taking a Government as a Platform approach.

Nevertheless, the government can benefit from having in place a formal mechanism to monitor and assess the use of such standardised methodologies, guidelines and shared services across the public sector. During the review process, it was shared that many members of the public sector lack understanding of the principles of ICT projects, which in part led to reliance on big vendors for ICT solutions and services. This has created a vicious circle of relying on external expertise rather than building necessary skills within the public sector. Another example is the use of data standards. Although it is mandatory and the Office of the Chief Architect is responsible for monitoring its implementation, there is no formal mechanism for ensuring the proper application of the standards and its continuity in practice.

Recommendations

Continue defining clear roles and responsibilities of the key actors driving the digital government agenda

- Continue developing and institutionalising the roles and responsibilities of the organisation-in-charge and each key actor (especially the Cabinet of Deputy Prime Minister for Digitalisation, the Digital Information Agency and the Ministry of the Interior) through a transparent and inclusive process to gain legitimacy and ensure sustainability.
- Identify the needs of public institutions to provide the necessary support for their digital transformation strategies and make necessary shared services and tools available.
- Equip the relevant organisations with sufficient institutional capabilities and competencies.

Strengthen the co-ordination mechanism between the central government, local governments, the private sector and service users to ensure the co-ordination body can carry out proper decision-making, implementation and monitoring responsibilities

- Building upon the statute of the RVIS, formalise the council's decision-making responsibilities to use the co-ordination body's full potential and to deliver the digital transformation efforts across the public sector with impact.
- Expand the involvement of the thematic working groups to the Government Council of Information Society to increase engagement and alignment with institutional needs and facilitate a bottom-up collaborative culture.
- Organise a regular meeting at the chief information officers (or equivalent) level with regional representatives organised by the Digital Information Agency.

Further enforce the use of centralised guidelines and standards, common tools and services across the government with an appropriate incentive mechanism

- Raise awareness on the centralised guidelines and standards, common policy tools and services to gain support and adoption across the public sector through inter-ministerial co-ordination, communication campaigns and regular training exercises.
- Create communities of practice to share good practices, exchange knowledge and identify common challenges that can be resolved with assistance from the Digital information Agency.
- Create a clear set of KPIs to assess and monitor implementation progress to ensure a sustainable transformation across the government.
- Consider empowering the organisation-in-charge to fund cross-sectoral projects to ensure the coherent and efficient implementation of such projects.

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Notes

¹ The Office of Chief Architect of eGovernment of the Ministry of the Interior (MoI) will be moved to the Digital Information Agency (DIA) on the 1st of April 2023.

² The Czech Republic is adherent to the recommendation. See: <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0438#adherents>.

6 Attracting and Developing Skills in the Public Service in the Czech Republic

This chapter discusses the framework for public employment and management in the Czech Republic. It focuses principally on the Czech civil service (the central level), with a brief overview of employment issues at the subnational level. The chapter addresses two main areas where the Czech administration may wish to focus its efforts in building workforce capability: aligning branding, career outreach and recruitment efforts; and ensuring effective career development opportunities, especially for senior leaders. Building the evidence base through more use of data can help develop better policies in both areas.

Introduction

The Czech public administration's priorities are framed by the public administration reform programme, the Client-Oriented Public Administration 2030 (Czech Ministry of the Interior, 2020^[1]). The 2022 Policy Statement of the Government also sets a high level of ambition for public sector reform, including greater pay flexibility for in-demand skills, more openness to external recruitment for senior-level positions and a reduction in the number of civil servants (Government of the Czech Republic, 2022^[2]).

Civil servants at the central level and employees of territorial self-governing units (municipalities and regions) at the subnational level are key to implementing the provisions of this programme. The spirit of this programme reflects a broad trend across the OECD to improve service design and delivery to meet evolving citizen expectations. The Czech administration must also anticipate and respond to broader challenges that affect many other public administrations across the OECD, like managing the transition to a digital government. In the context of the Czech reform agenda, a particularly relevant example for the Czech Republic is the difficulty attracting and retaining in-demand skills in the context of tightening labour markets and increased competition for talent, both locally and internationally.

This chapter analyses the ability of the Czech administration to attract and recruit the skills it needs to deliver on its ambitious reform agenda. For example, the 2022 European Semester country report for the Czech Republic notes that the administration faces particular challenges attracting young civil servants: it ranks in the bottom half of European Union (EU) administrations for the share of public servants under 39 years old (European Commission, 2022^[3]). But improving attraction and recruitment is only one side of the coin. Once hired, the administration must ensure that staff have access to effective career development opportunities. In this regard, it is encouraging that the public administration reform agenda places emphasis on enhancing the quality of learning and development in the state administration.

One of the central challenges involved in these two areas – attraction/recruitment and career development – is drawing on workforce data to design and adapt human resources (HR) strategies accordingly. However, the Czech administration is at a relatively early stage of maturity in terms of being able to draw on sophisticated data sets to produce evidence-informed workforce insights, as underlined in Chapter 3. Building capability both in terms of IT tools and the ability of HR officers to work with data will be a core part of future strategies to target key skills and ensure the effective career development of high-performing public servants.

One of the specificities of the Czech Republic is that it was the last EU member state to introduce separate legislation governing the management and functioning of the civil service, which it did in 2015. The Civil Service Act thus established the principles and basic values of the civil service relatively recently. The purpose of this chapter is to relate the provisions of the Civil Service Act and recent amendments focusing on attracting senior civil servants to human resource management practices in the areas of attraction/recruitment and career development. The goal is to draw on international examples of good practice to assist the Ministry of the Interior in developing a more strategic approach to filling skills gaps and building a public workforce capable of meeting the public reform agenda's objectives.

Preparing the Czech administration to meet future challenges

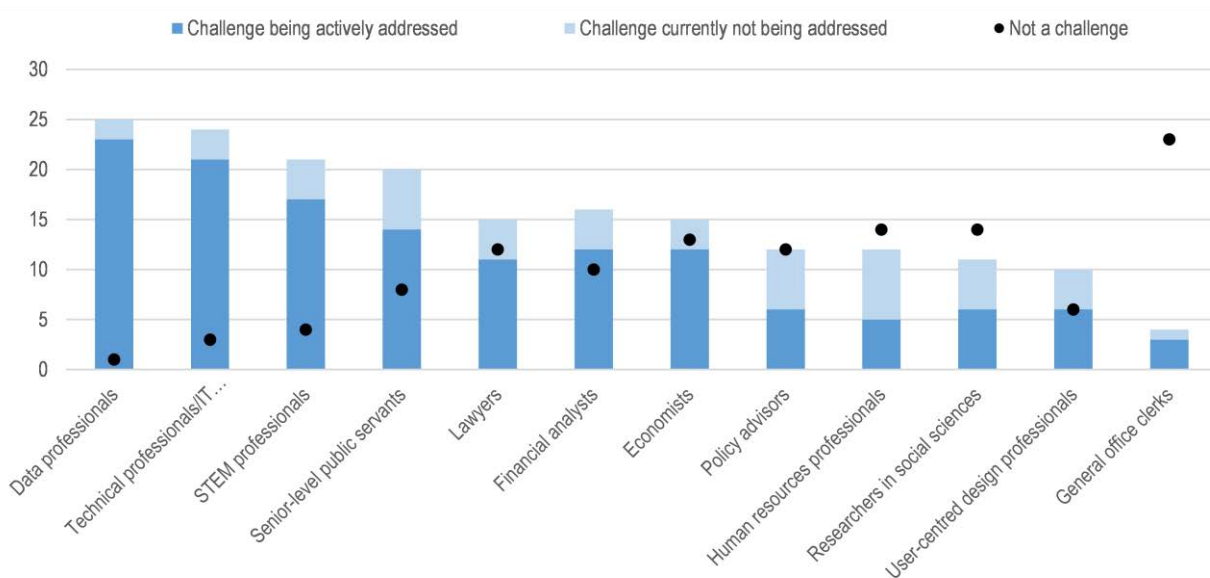
Across the OECD, a number of broad trends are affecting how the public service builds its capability to meet future challenges. Complex policy challenges, like improving green infrastructure investment, for example, call for a whole-of-government approach marshalling a variety of skill sets, stakeholders and competing priorities. This is a challenge that goes far beyond the remit of a single ministry. Dealing with this challenge calls for a public workforce with a mix of technical and specialist knowledge across a variety of climate and environmental domains, as well as public servants with a broad range of professional competences. Population ageing, too, has important implications for the Czech public sector workforce. A study carried out by the Ministry of the Interior in 2020 found that up to one in three current public

administration employees are expected to retire in the next ten years (Czech Ministry of the Interior, 2020^[4]).

This example illustrates the dual challenge for public administrations: first, attracting candidates with an increasingly specialised skill set to government. As shown in Figure 6.1, across the OECD, most public administrations report difficulties in hiring data professionals; ICT specialists; science, technology, engineering and mathematics (STEM) professionals; and senior-level public servants. These are all areas where there is increasing competition from other employers. In the ICT sector, for example, governments may find it difficult to compete on salary to hire skilled digital workers. In others, such as the data sector, the speed of technical evolution is rapid, with new possibilities for applying machine learning, artificial intelligence and big data in government. This places a premium on recruitment processes to attract candidates with these types of skills and on effective career development pathways to be able to retain and apply these types of skills.

Figure 6.1. Attraction challenges in the public sector, 2020

Number of OECD countries, n=33



Notes: STEM: science, technology, engineering and mathematics. N varies depending on the option, as some options were unknown by some OECD countries. Original survey question: "Does the central/federal administration experience particular challenges in attracting any of the following groups of applicants/skills?"

Source: OECD (2020^[5]), Module 2.

Against this background, the COVID-19 pandemic accelerated the transformation of public services. The widespread use of new digital tools, greater flexibility in using remote and hybrid working, and increased staff mobility were features of many administrations. Public sector recruitment also got shaken up: often criticised for long and overly bureaucratic processes, many administrations turned to online and digital recruitment to hire new staff during the pandemic. For example, the Czech Ministry of Industry and Trade used Skype to recruit new staff to set up a call centre to manage an emergency loan programme for small and medium-sized enterprises.

As the Czech Republic and most OECD administrations emerge cautiously from the most acute stage of the pandemic, now is a good time to reflect on how recruitment and career development can be further strengthened in the Czech Republic. In this regard, the OECD Recommendation of the Council on Public

Service Leadership and Capability is a normative framework designed to guide public administrations in building high-performing public services. It sets out 14 principles across 3 pillars seen as the building blocks of a high-performing public service.

Figure 6.2. OECD Recommendation of the Council on Public Service Leadership and Capability

I. Values-Driven Culture and Leadership	II. Skilled and Effective Public Servants	III. Responsive and adaptive employment systems
1. Defined values 2. Capable leadership 3. Inclusive and safe 4. Proactive and innovative	5. Right skilled and competencies 6. Attractive employer 7. Merit-based 8. Learning culture 9. Performance-oriented	10. System stewardship 11. Strategic approach 12. Mobile & adaptive 13. Appropriate terms and conditions 14. Employee voice

Source: OECD (2019^[6]).

Building on this Recommendation, the OECD Working Party on Public Employment and Management has examined the changes underway across the civil service in OECD countries to operationalise the principles of the Recommendation. Through mapping emerging practices, OECD research suggests that public services should consider three inter-related aspects:

1. **Forward-looking:** Public service employers need to be better at planning for the future to ensure that recruitment systems can adapt to change and can attract and select new and emerging skill sets. This requires ensuring that public employment systems' job classifications can adequately incorporate emerging jobs and respond with appropriate remuneration packages and a compelling employer value proposition.
2. **Flexible:** Public services need to be flexible and able to adapt to respond to unforeseen change. This implies readiness to reallocate skills to emerging challenges and pull together multidisciplinary teams across ministries and agencies. Pay systems, therefore, need to strike a careful balance between specificity for skills and talent and harmony across organisations to enable mobility and agility.
3. **Fulfilling:** The diversity of the public service workforce will continue to grow to incorporate more skills and backgrounds than it has traditionally done so in the past. With a diversity of people comes the need for a diversity of employment models and individualisation of people management. This suggests the need to think about pay systems that recognise and reward motivation and achievements without crowding out the intrinsic motivation of public employees.

These three aspects are well reflected in the Czech public administration's reform agenda. The agenda sets an ambitious medium- to long-term vision for the future (e.g. the greater use of big data for improving service delivery) and positions varied learning and development opportunities as a key part of building skills, particularly relating to analytical capability. Finally, the agenda emphasises increased engagement

with citizens to improve perceptions of the public service and include diverse opinions in policy design and service delivery.

In this context, the central challenge for the Czech administration will be identifying the margin for manoeuvre within the framework of the Civil Service Act to adjust policies and procedures for attracting/recruiting talent and ensuring effective career development. Although the Ministry of the Interior has formal responsibility for managing the civil service, this challenge goes beyond the remit of one single department or even ministry: success will depend on engaging senior leaders across the civil service as part of the process of change and providing evidence-informed advice to build on anecdotal diagnoses of talent and capability gaps.

Size and shape of public employment in the Czech Republic

Central level

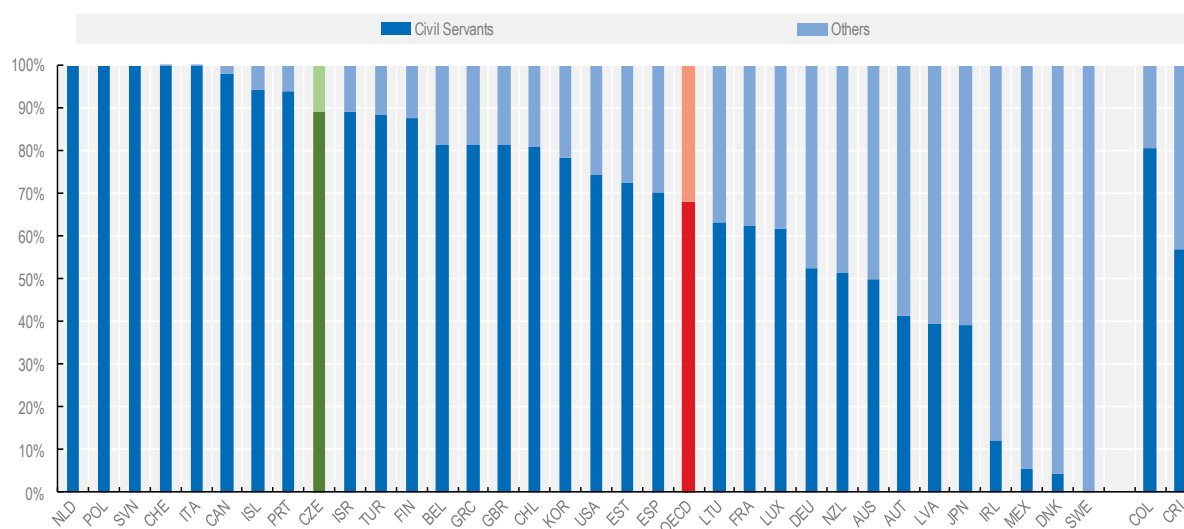
The Czech civil service (central level) has a workforce of nearly 62 000 staff (OECD, 2020^[7]). Around 14% of these are classified as senior civil servants. Women account for about one in three senior civil servants.¹

Public servants in the Czech Republic are broadly divided into two categories. At the central level, the vast majority are governed by Act No. 234/2014 Coll., which entered fully into force on 1 January 2015. The Ministry of the Interior is responsible for its implementation. The Civil Service Act applies to the centre of government, i.e. the body or group of bodies that provide direct support and advice to heads of government and the Council of Ministers, or Cabinet (OECD, 2018^[8]). This includes the Government Office, 14 line ministries, 204 service offices (agencies subordinated to line ministries) and 16 central administrative offices (like the Czech Statistical Office, the State Administration of Land Surveying and Cadastre, etc.). The act has been amended several times, most recently in November 2022. The focus of the amendments, which entered into force on 1 January 2023, are to:

- simplify and speed up recruitment, mainly by opening it up to external candidates from the beginning of the recruitment process rather than only if no suitable internal candidates are found
- improve access to and mobility within the senior leadership cadre by introducing term limits for some senior-level positions.

In terms of contractual modalities, most contracts are classified as “service contracts”, i.e. open-ended civil service contracts. Figure 6.3 shows that most employees in the Czech administration at the central level are civil servants. A minority of positions are classified as “work positions”, such as clerical or administrative positions. This balance of positions is reviewed on a yearly basis. A consolidated proposal for the “systemisation” of posts (i.e. the balance of civil servants governed by the act and contractual staff governed by the Labour Code) is prepared each year by the Ministry of the Interior and the Ministry of Finance based on individual proposals by line ministries and service offices.

Figure 6.3. Civil servants and other employees in central administrations, 2018



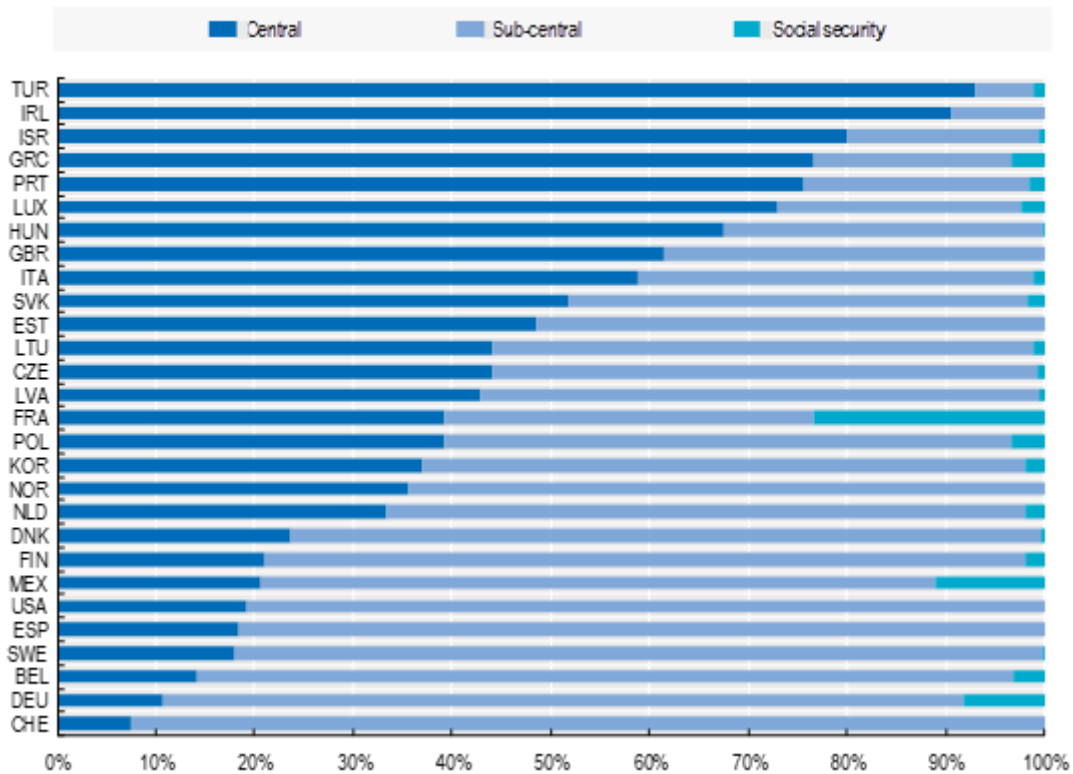
Notes: Data for Denmark, Israel, Japan, Mexico and New Zealand refer to 2019. Data for France, Germany, Korea and Poland refer to 2017. Data for Italy, Latvia and the United States refer to 2016. Data for Colombia, Iceland and Turkey refer to 2016. Data for Slovenia refer to 2015. Data on other public employees were not available for Hungary, Norway or the Slovak Republic. For Korea, data for civil servants were compiled by the Ministry of Personnel Management and data for “other public employees” by the Ministry of Employment and Labour. For Portugal, “other public employees” includes executive limited-term managers. Civil servants defined as civil public employees covered under a specific public legal framework or other specific provisions refer to “*tjenstemænd*” in Denmark.

Source: OECD (2019), OECD Survey on Strategic Human Resource Management (SHRM)

Subnational level

Regarding public employment at the subnational level (i.e. territorial self-governing units), Figure 6.4 shows that just over half (55%) of general government employment is at the subnational level. Employees designated as “officials” are managed under the Act on Officials of Territorial Self-governing Units. Other employees at the subnational level are managed under the Labour Code (Czech Ministry of the Interior, 2018^[9]).

Figure 6.4. Distribution of general government employment across levels of government, 2019



Note: Data for Australia, Austria, Canada, Chile, Iceland, Japan, New Zealand and Slovenia are not available.

Source: OECD (2021^[10]).

Although the balance of the Czech administration at the subnational level roughly corresponds to the OECD average, a defining characteristic is the fragmentation of subnational governance compared to other administrations. Specifically, the Czech Republic has over 6 000 municipalities. One in two municipalities has fewer than 500 inhabitants and 90% have less than 2 000. An indication of the scale of the challenges is shown by the findings of an OECD/European Committee of the Regions Survey, which finds that, across Europe, smaller municipalities are hampered by having an inadequate pool of managerial and technical talent and service providers; smaller municipalities face complex transport, planning and infrastructure tasks and do not have the workforce skills to address these tasks effectively (European Committee of the Regions, 2020^[11]). The same survey also indicates that subnational government capacities vary enormously within countries in all countries surveyed and are not consistent with their responsibilities.

Two focus areas to build capability in the Czech civil service

With a tight labour market, as highlighted by the 2023 OECD Economic Survey of the Czech Republic, the Czech administration faces specific challenges due to local labour market dynamics as well as institutional/legislative history and practices. These principally relate to developing effective people management practices in light of the provisions of the Czech Civil Service Act, and the supply and demand of skills in the labour market.

However, building public workforce capability means going beyond a sole focus on ensuring compatibility with legislation: it also requires efforts to implement the Civil Service Act through experimenting with new

work practices and procedures, and consulting with managers and staff on their emerging needs. It also means engaging with public servants and citizens to reinforce civil servants' values and attitudes to the spirit of the act and the Client-oriented Public Administration 2030. Drawing on data collected through the OECD Survey on Public Service Leadership and Capability, background research, and a fact-finding mission to Prague in April 2022, the following themes emerge as key focus areas for the Czech administration:

- aligning employer branding, recruitment strategies and career outreach
- ensuring effective career development through training and talent management.

Aligning employer branding, recruitment and career outreach

Governments across the OECD need to attract and recruit staff with an increasingly diverse range of skills to keep pace with policy and service delivery challenges. Some of these skill sets are in traditional fields like law or accounting. While the public sector may not be able to match private sector salaries, money is not the only reason administrations struggle to attract talent. In some cases, lawyers or accountants may not be aware of government career opportunities or may not perceive the public sector as an employer of choice. Other challenges are in fast-changing fields, such as STEM or legal services. Finding these candidates is difficult. For example, the European Commission (2021^[12]) has highlighted an insufficient supply of digital experts in the Czech labour market, and unemployment rates in the Czech Republic are the lowest in the EU (European Commission, 2022^[3]). The second challenge is convincing potential candidates to join the public service: in most OECD countries, only a minority of employees would work for the government or the civil service if they had the choice between sectors (Van de Walle, Steijn and Jilke, 2015^[13]).

These considerations are why the OECD Recommendation of the Council on Public Service Leadership and Capability calls on adherents to attract and retain employees with the skills and competencies required from the labour market, in particular through:

- positioning the public service as an employer of choice by promoting an employer brand which appeals to candidates' values, motivation and pride to contribute to the public good
- determining what attracts and retains skilled employees and using this to inform employment policies, including compensation and non-financial incentives
- providing adequate remuneration and equitable pay, taking into account the level of economic development
- proactively seeking to attract under-represented groups and skill sets (OECD, 2019^[6]).

The Czech Civil Service Act contains provisions for structuring the recruitment process for civil service positions. Article 24 details the process for announcing a vacancy; Article 27 describes the process for selecting candidates for interview; Article 29 stipulates that successful candidates be hired on a one-year contract until they pass the civil service examination. Relatively few candidates fail the exam: 98.8% passed the general part of the exam and 95% passed the second stage, usually an interview. Success means that candidates' civil service employment is changed from a one-year contract to an indefinite term.

The provisions of these and other related articles set the framework for how the administration goes about attracting and recruiting talent. The provisions relating to recruitment leave scope for the administration to adjust the content and format of testing and interviews to emerging needs. This is encouraging because regular review and updating of entry criteria is important for positioning the public service as an employer of choice for relevant skill sets (OECD, 2021^[14]). For example, countries like France, Italy and Spain have recently begun reflections on adapting the content of their own entry-level exams for the public sector. In the Czech administration, guidelines on how to update and adapt selection criteria could help make the most of this wide scope. The common thread across the OECD is a recalibration of assessment procedures

to focus not only on knowledge of legislation or policy, but on the ability to reason critically, learn and problem-solve as well. Regarding the civil service examination in the Czech administration, for example, the scope of the questions (set by the hiring authority) seems to prioritise rote learning of technical material. This approach to examination is time- and resource-intensive, with little discernible impact on improving the capability of public servants.

The point is that while managers in the Czech administration must comply with the provisions of the act to recruit, many areas are *not* included in the act that nevertheless have a considerable impact on recruitment success. So while HR strategy needs to take compliance into account, getting the structural and operational details right matters too. These include the development of an attractive employer brand or value proposition, proactive outreach to engage with candidates rather than just waiting for them to apply, and developing strategies to retain and develop talent.

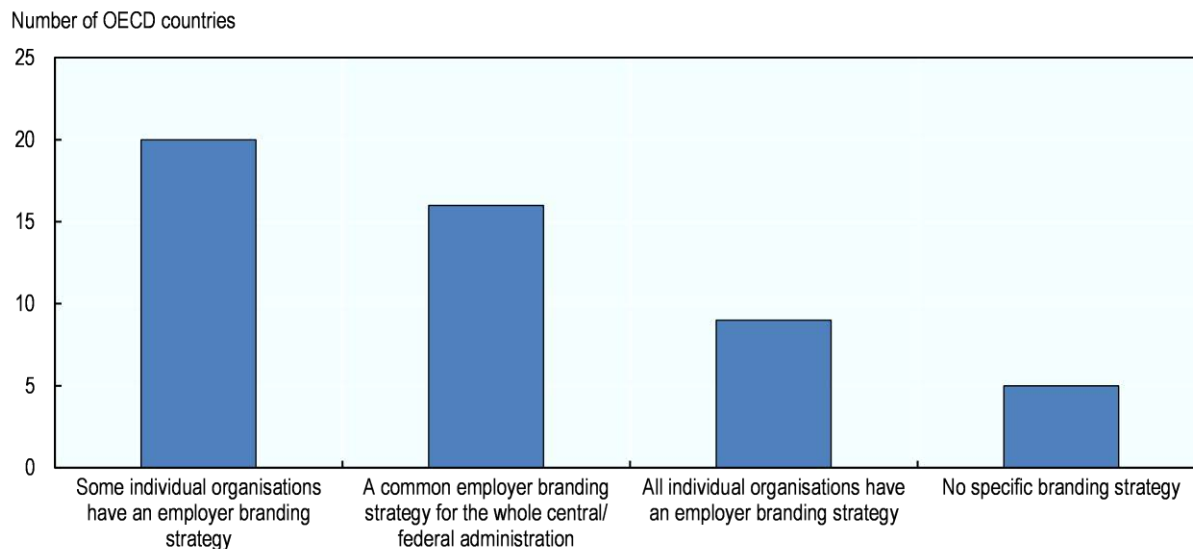
The Czech administration has ad hoc employer branding initiatives

An employer brand is a variety of communication mechanisms used to convey a set of messages to prospective candidates. It is the package of psychological, economical and functional benefits that potential employees (should) associate with employment with a particular company designed to improve the development of a positive image of the potential employer among likely candidates (Wilden, Gudergan and Lings, 2010^[15]). Employer brands are important because they help identify organisations as potential employers, and help differentiate the organisation from other organisations looking to hire the same talent. For the public sector, a long-standing assumption has been that these types of communication strategies should be targeted at candidates with high degrees of public service motivation (PSM) because those candidates are more likely to apply for public sector jobs (Ritz and Waldner, 2011^[16]). PSM theory holds that unique motives are found among public servants that are different from those of their private sector counterparts – particularly altruistic and pro-social motives – and that public sector organisations should target candidates likely to display high degrees of PSM in order to improve recruitment and organisational fit (Perry, Hondeghem and Wise, 2010^[17]). Recent studies have nuanced this claim somewhat, pointing, for example, to the fact that not every public sector job needs a candidate brimming with PSM. Moreover, the public sector is not the only employer that offers candidates a chance to contribute to society – the “tech4good” sector, social impact start-ups, not-for-profit organisations, international organisations and even parts of the private sector (e.g. environment, social and corporate governance divisions) emphasise their pro-social attributes when targeting prospective recruits. This means that in a crowded marketplace, an employer brand is a vital part of the recruiting toolkit in order to attract candidates.

Building on these aspects of attractiveness, there has been a growing recognition of employer branding strategies in the public services of OECD countries. In 2016, 14 member countries had no employer branding strategies or action plans in place, whereas just 5 countries in 2020 – including the Czech Republic – indicated that this was still the case (Figure 6.5). For the others, employer branding is mostly left to individual organisations or is part of an administration-wide strategy.

Figure 6.5. Employer branding strategies, 2020

Number of OECD countries, n=34



Note: Original survey question: “Which of the following employer branding strategies exist in the central/federal administration?”.
Source: OECD (2020^[5]), Module 2.

Recent academic research points to a variety of gaps in how the public sector positions itself as an employer of choice. For the Czech administration – and employers across the EU and the OECD – improving employer branding strategies should be a core part of recruiting more and better talent.

A strong employer brand is an important part of convincing prospective candidates to apply. This may be particularly true when recruiting young candidates, who usually apply to many places at the same time. Coherent and well-used employer brands that promote public service values may also contribute to a better fit between a person and an organisation by clearly signalling the values the job and organisation espouse and improving candidate self-selection (Kim, 2012^[18]).

Effective employer branding builds on insights into what attracts skilled candidates. Public sector recruiters can survey existing staff as well as prospective candidates (e.g. groups of university students who will soon be entering the job market) to identify aspects of work in the public sector that matter to them – in particular, highlighting a “culture of excellence” where success is celebrated and used to inform the employer brand. Systematically identifying these aspects and integrating them into advertising and recruitment campaigns can help increase employer-candidate fit and improve an employer brand (OECD, 2021^[14]).

Some non-government platforms or organisations in OECD countries work on providing an external viewpoint for government ministries or agencies to improve their employer brand and the diversity of the candidate pool. Profil Public, a French organisation focused on employer branding for the public sector, publicises a series of videos with public servants to better explain the realities of public jobs; *Welcometothejungle*, a French recruitment platform originally focused on the start-up sector, now advertises vacancies for the French Ministry of the Interior and France’s external intelligence service through a slick user interface; and the Volcker Alliance in the United States helps link government organisations with universities to improve their image and likelihood of prospective applications.

A good employer branding strategy for an organisation seeking to attract young graduates should ideally have a social media component to maximise reach. Moreover, with many prospective candidates browsing

job offers via apps (e.g. Indeed, LinkedIn), a good employer branding strategy should be smartphone and tablet-compatible. France, for example, recently launched a comprehensive public sector branding strategy to broaden the appeal of the public sector among new and more diverse candidates, and its centralised recruitment portal is available as an app. Ireland’s current employer branding strategy (Box 6.1) is the result of years of consultation, development, evaluation and iteration.

Box 6.1. Selected employer branding strategies in OECD public administrations

France: Since 2020, a cross-departmental project was launched with human resources experts and two dedicated surveys to define the attractiveness arguments to be used by the branding strategy. The branding project has three target audiences listed in order of priority: 1) future candidates for civil service positions; 2) the general public (i.e. information and awareness-raising campaigns not focused solely on recruitment); and 3) current public servants (i.e. to promote opportunities for mobility).

Ireland: Publicjobs.ie is the centralised provider of recruitment, assessment and selection services across the Irish civil and public service. Finding, attracting and engaging proactively with the most suitable candidates to generate quality pipelines of diverse candidates for opportunities across the Irish civil and public service has become essential to fulfilling the current and future hiring needs of its diverse range of client organisations. Publicjobs.ie focuses on identifying the appropriate strategies, techniques and processes to attract and engage candidates and convert them into applicants for various career opportunities across the Irish public service. This includes everything from employer branding models and strategies to planning and executing campaigns, or measuring their return on investment and impact on hiring objectives.

Switzerland: The Swiss federal administration has developed an employer branding strategy focused on identifying the administration as a prospective employer and, moreover, sets it apart from other competitors for talent. The strategy explicitly recognises that fact-based communication is not enough, and treats branding the public sector as if it were a consumer brand. The strategy centres on an “umbrella” brand outlining the brand benefit, attributes, tonalities and iconography. The administration is developing guidelines to operationalise the strategy, including on corporate language and phrasing for job advertisements.

Source: Based on information provided to the OECD by national civil servants.

There is scope to streamline and modernise recruitment processes

Better employer branding is designed to attract more candidates, more relevant candidates and more diverse candidates. Convincing the right candidates to apply for jobs through employer branding is just the first step. Research suggests that even good recruitment processes alone are not enough to persuade candidates to accept job offers (Feldman, Bearden and Hardesty, 2006^[19]). This raises the risk of good candidates dropping out of the recruitment process if they perceive it as too long or burdensome. And if the recruitment process does not enable managers to assess relevant skills and competences, there is a risk of a poor match between the organisation’s needs and the candidate’s abilities and motivation. As such, the ability of public administrations to fill skills gaps is partially related to how proactively they recruit, as well as to the variety of tools they have at their disposal to do that.

The structure of the Czech civil service recruitment process is well established in the Civil Service Act. Job vacancies are posted on line on the Czech government recruitment portal (“Civil Service Information

System”) as well as on the website of the ministry or agency hiring (Art. 24). Commercial recruitment portals, such as jobs.cz, can also be used, though sometimes only after two unsuccessful recruitment procedures.

Recruitment is decentralised and position-based: each ministry or agency recruits its own staff for specific roles (Art. 24). However, in case of more suitable candidates, the organisation cannot place them on a reserve list for future vacant posts, as is done for example in some national administrations (e.g. panels in Ireland) or the EU institutions, which makes the recruitment administratively complicated. Salary can be adjusted for hard-to-fill posts: 5% of each ministry’s or agency’s wage bill can be used for this, but practice suggests that this rarely happens systematically due to tight budgets: the 5% still has to come from a ministry’s own budget.

Job vacancies contain basic information such as the conditions and requirements of the post (Art. 25). Candidates submit a paper-based application including physical copies of documents to prove their compliance with the minimum requirements, such as a clean criminal record or foreign language skills if required by the post (Art. 26). Online submission of these documents is possible via electronic “data boxes” (*datová schránka*) or by e-mail with a recognised electronic signature. Many candidates do not have these types of data boxes, and many still submit paper applications. From 1 January 2023 onwards, all applicants who meet the minimum requirements are invited for an interview, except when there are more than five qualified candidates. In that case, the hiring authority may carry out a written test (known as the “first round”) and interview at least the top three candidates in the “second round” (Art. 27).

Selection panels are comprised of three members consisting of the hiring manager and two panellists appointed by the top civil servant in a ministry or agency (Art. 27); they are usually employees of the hiring department and from the personnel department. The panel ranks candidates and hiring managers can choose from among the top three (Art. 28). Successful candidates are offered a temporary 12-month contract until they pass the civil service examination (usually for external candidates) or an open-ended contract if they have already passed this examination (most internal candidates). The civil service examination consists of a general written test and an oral interview (Art. 35). The examination is discussed further below. Batch recruitment, i.e. of similar skill sets, is possible but rarely used. HR units in line ministries are involved in preparing the documentation, usually someone from HR is the secretary of the selection panel and helps organise the recruitment (documentation, communication with applicants, etc.).

In this context, better recruitment starts with a few questions. First, administrations need a good idea of what types of skills and skill mixes they are likely to need in their future labour force. The Czech public administration reform strategy identifies a few gaps in this regard, such as improving analytical skills and data-driven decision-making (Czech Ministry of the Interior, 2020^[1]). Taking this as an example, the main issue for the Czech administration is whether current recruitment and selection processes are fit-for-purpose to attract and assess these types of skill sets. For example, do candidates with strong quantitative and analytical skills gravitate toward the government as a potential employer? If so, do they know where to look for jobs? And what message does a predominantly paper-based application process send to young digital talents who are used to smooth user interfaces and a minimum of paperwork? The Czech administration is not the only one facing these types of challenges. Box 6.2 outlines the e-recruitment project developed by the Belgian Federal Public Service of Finance.

Box 6.2. Moving recruitment on line in the Belgian Federal Public Service of Finance

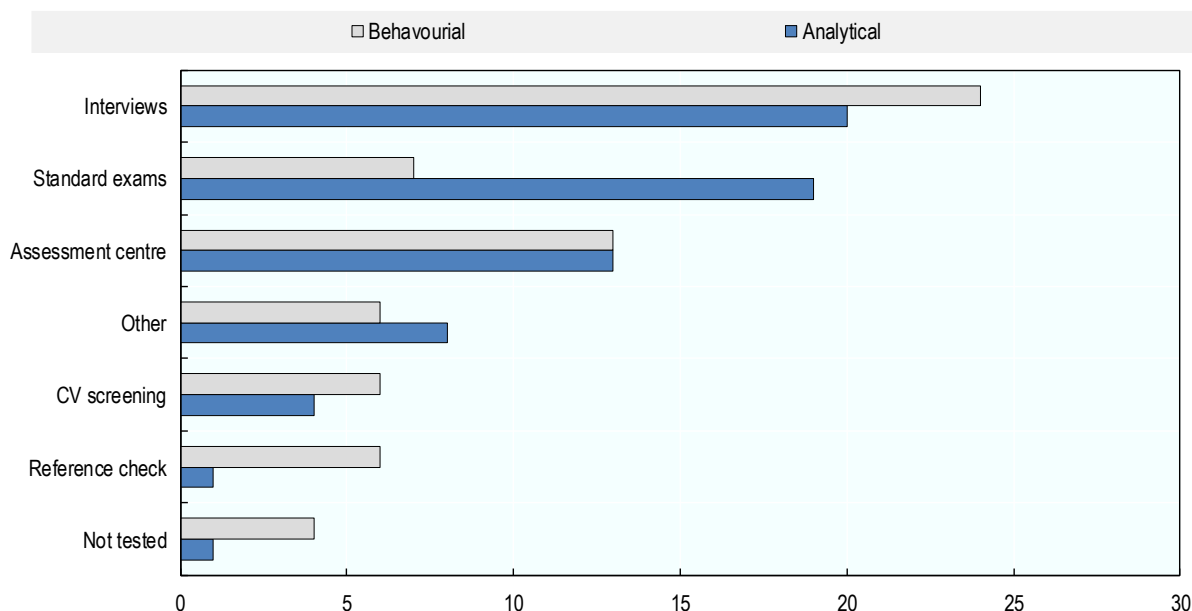
The Belgian Federal Public Service of Finance (FPSF) began a project in 2019 to develop greater online recruitment capability. The project accelerated rapidly during the COVID-19 pandemic. It was intended to broaden the reach of the FPSF and make it easier for recruiters to assess different types of hard-to-reach skill sets. In April 2020, the FPSF began a pilot exercise of the e-recruitment tool for internal mobility. As a first step, this included the roll-out of virtual interviews conducted via Skype for Business (later Microsoft Teams). The entire process was rolled out paperless and on line. Similar to face-to-face interviews, the interviews were conducted by recruiters and the hiring manager. To allow the recruiters to assess the candidates in this virtual format, recruiters received training on digital interview techniques and non-verbal communication. During the second phase of the pilot, online interviews were further rolled out and applied to all vacancies/functions where technical skills were to be evaluated. In most cases, technical skills are evaluated during the interviews, although at times the candidate has to complete a technical test sent via encrypted e-mail and within an allotted time. The handbook for candidates was improved to better reflect common issues and a helpline was set up for candidates. To mitigate the risk of discriminating against some candidates, decentralised job partners offer training to help candidates for the online interviews. In the final pilot phase, CV screening to assess candidates' motivation and digital assessments consisting of an exercise for a mock presentation and/or a role-play exercise were introduced.

Going beyond the interview process, the FPSF also launched a digital job fair as part of the e-recruitment pilot. Using social media helped create a high awareness of vacant positions and brand the FPSF as an attractive employer. The FPSF held Facebook live events and webinar teams with over 7 700 views and reached more than 25 000 people. Conscious of the challenge to integrate new recruits into the public service during the COVID-19 pandemic, the FPSF redesigned the on-boarding model. While before the pandemic a physical welcome day would have been organised, the new model foresaw a virtual welcome day and e-training. Furthermore, the importance of the manager for integrating new recruits into the team and public service was highlighted and an on-boarding toolkit developed with managers receiving a checklist prior to any new employee arriving.

Source: Based on material provided by the Belgian Federal Public Service of Finance to the OECD. A full case study is available at: <https://www.oecd.org/gov/pem/public-sector-leadership-implementation/pem-flexible/Flexible-Belgium-case-study-ecruitment.pdf>.

Second, administrations should consider whether they are testing candidates for the right things. Public sector recruitment systems have been around for a long time, and in many administrations they differ notably from the private sector by placing greater weight on equality of treatment and standardisation of process than on job-specific assessment methodologies. As such, many are structured to assess factors such as educational experience and legal knowledge. Figure 6.6 highlights that countries are putting an emphasis on testing analytical and behavioural competences through a variety of means as a way to assess how candidates are likely to perform in real-life situations.

Figure 6.6. Testing for analytical and behavioural competences, 2020

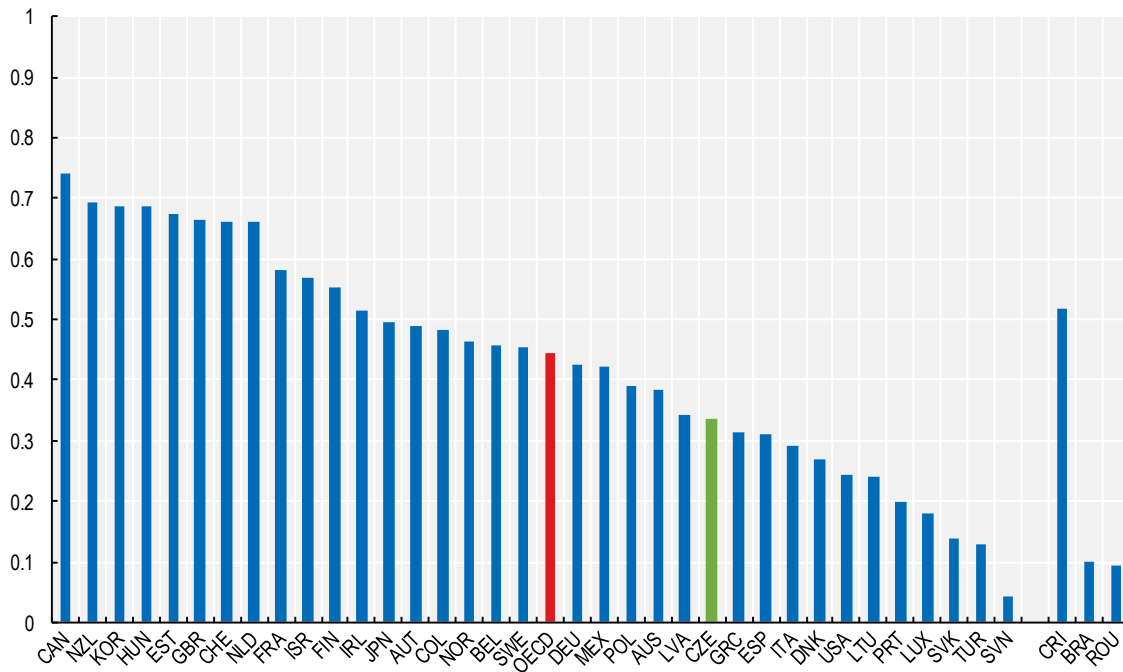


Notes: Original survey question: "How are the following criteria tested for applicants to the civil service?"; Number of OECD countries, n=32.
Source: OECD (2020^[5]), Module 3.

These results are particularly relevant to the Czech administration, which aims to improve analytical capacity across the government. However, assessing analytical and behavioural competences is not as obvious as assessing theoretical knowledge and education. In most administrations, core competences are clearly established in competency frameworks. These frameworks list which competences are relevant for different functions and for different hierarchical levels. However, hiring managers may find it difficult to assess these competences in hypothetical situations like interviews. In many cases in the public sector, most recruitment is carried out mainly by line managers who are not highly trained in recruitment techniques. This is also the case in the Czech administration. However, sometimes members of HR departments can join, as is the case in the Ministry of Finance. Moreover, it can prove tricky to design questions and scoring systems to evaluate candidate judgement and likely behaviour in specific scenarios. This points to the need for using more than one data source in assessing candidates, and for targeted support to line managers in assessing behavioural competences. This may be particularly relevant for high-impact or senior positions, where psychologists and trained recruiters can complement the line manager's insights (OECD, 2021^[14]).

Building on this discussion of attraction and assessment, part of upgrading the recruitment function in the Czech administration may lie in a greater use of proactive recruitment practices. Figure 6.7 is a composite indicator that measures the use of proactive recruitment practices. The data do not measure relative attractiveness from one administration to another. Rather, countries that score well on this indicator – like Canada, New Zealand and Korea – use a wide variety of methods to proactively reach out to candidates to promote the public service as a good place to work, and to convince them to apply. The Czech Republic scores a little below the OECD average in terms of the use of proactive recruitment practices. For example, the leading administration (Canada) uses nine different tools (such as recruitment quotas, targets and head-hunting) to attract under-represented groups. The Czech administration only uses one: adjusting the recruitment process for people with disabilities. The indicator does not measure the effectiveness of these tools, but more tools suggest a greater ability overall to identify and target specific skill sets.

Figure 6.7. Pilot index: Use of proactive recruitment practices, 2020



Note: Data for Chile and Iceland are not available.

Source: OECD (2020^[5]).

The framework for recruitment in the Czech administration also points to a potentially under-used HR function. Most HR units are not directly involved in the core aspects of recruitment, like developing communication activities to reach candidates, designing selection/testing processes, or running interviews (though in the Ministry of Finance, for example, a member of the HR department is usually on the recruitment panel). Instead, their most common tasks include administering payroll, ensuring compliance with the legislative aspects of recruitment and managing staff files, such as requests for annual leave or updates to family situations. These are important areas, but they are also areas where digitalisation and HR software are likely to alter or even eliminate some roles in the future. The longer term question is whether there is scope for these decentralised HR units to play more strategic roles in attraction and recruitment, potentially with support from a centralised HR function to provide targeted support on a wider scale across the Czech administration. In high-performing public administrations, HR units play a range of roles, such as piloting new selection methodologies or working more closely with business units to understand their needs and anticipate skills gaps. In the Czech administration, for example, the current structure for recruitment means that managers with little or no training in human resource management conduct interviews and testing. In the future, HR units could play a greater role in ensuring modern and effective selection techniques, sitting on selection panels, and coaching non-HR specialists on a variety of selection and behavioural techniques.

Focus on recruitment of senior managers

One of the areas that crystallises these challenges is the need to recruit senior public servants. Senior-level public servants have significant responsibilities for managing complex organisations. Working in many cases at the political-executive interface, they must manage and transform vast public organisations, motivate and inspire their workforces, and be trusted partners to citizens and an ever-growing list of

partners and stakeholders. A recent OECD report identifies four specific ways that public sector leadership may be expected to change (Gerson, 2020^[20]):

1. The goal of public service leadership will increasingly be to solve public policy challenges in innovative ways, supported by digital technology. This suggests the need for new capabilities (i.e. skills, behaviours, perspectives, knowledge, mindsets, etc.) within the senior civil service. It implies organisational structures and processes capable of facilitating that change. And it means working in partnerships through an innovation-ready workforce across formal organisational boundaries.
2. Public service leaders will lead increasingly diverse organisations with employees from various backgrounds on various contracts and in various physical locations, flowing more fluidly in and out of organisations. This raises challenges to develop shared public values and an inclusive organisational culture.
3. Public leadership will become increasingly data-driven, with large sets of workforce and performance data driving insights and informing management responses, especially in an environment with the automation of many tasks. This suggests an increased opportunity for evidence-informed decision-making and the need to invest in skills to support and, sometimes, challenge it.
4. A fourth leadership challenge will come from the need to be more involved than ever in workforce and organisational development. Leaders will play a central role in establishing learning cultures so that existing employees are provided with opportunities to learn as they go. Leaders will also play an increasingly visible role as organisational ambassadors, front and centre in the war for talent, articulating the value proposition of the public sector employer and attracting needed skill sets to the public service.

In this context, preparing to meet the challenges of the Czech reform agenda means examining the framework for how senior civil servants in the Czech administration are recruited. An amendment to the Civil Service Act that entered into force on 1 January 2023 introduced a term limit of five years for positions of director of a department, director general of a section (a newly introduced position replacing Deputy Minister for Management of a section) and head of a service authority (unless in a special act stipulated otherwise). This does not change the civil service relationship/contract – if a civil servant holds an open-ended contract, this will not be affected by the term. Civil servants may apply for the same position again once their term expires; if they are unsuccessful, the HR director of their ministry or agency is obliged to look for a suitable position within the administration. The civil servant can also apply for other positions on their own initiative.

Until recently, recruitment to senior leadership positions in the Czech administration primarily focused on the internal talent pool, although the amendment aims to provide more access for external candidates. Prior to 1 January 2023, recruitment to senior civil service positions was opened first to internal candidates (the “first round”). Articles 52-58 of the act stipulated the eligibility criteria for the senior-level positions mentioned above. These usually included several years of work experience in the civil service, an international organisation or European institution, or a state or regional body. External candidates without professional experience in these types of bodies could only apply if no suitable internal candidate was found, i.e. the “second round”.

On the one hand, this approach can be seen as a vote of confidence in the internal talent pool, one that recognised that the business of government usually takes years to learn on-the-job. It also recognised the value of broad professional networks and effective working relationships built up through years of experience across the government. On the other hand, this approach excluded practically all candidates from the private sector from competing for senior-level positions on equal footing with internal candidates in the first round of selection.

With the entry into force in January 2023 of the new amendment, the requirement to already have specific experience in public bodies was removed, while retaining and strengthening other professional requirements, such as relevant professional and managerial experience. This is the case for most senior-level positions in the Irish civil service, for example, where candidates from outside the public sector can compete alongside internal candidates if they meet the eligibility criteria (Box 6.3). In Ireland, a broadly consistent pattern over the last eight years has been that although a greater number of applications tends to come from outside the civil service, the success rate for civil servants securing recommendations for appointment is far greater than for outsiders (TLAC, 2022^[21]). In other words, this suggests from a Czech perspective that further opening up to external candidates does not necessarily have to penalise or block internal candidates' career advancement. Pushing the door a bit wider open can help bring in much-needed skills, corporate expertise and managerial experience while still providing a clear career development trajectory for internal candidates.

Box 6.3. Ireland's Top-Level Appointments Committee

The Top-Level Appointments Committee (TLAC) is a non-statutory committee established by the Irish government in 1984. It oversees a competitive process for nominating candidates to be appointed to some, though not all, of the most senior positions in the civil service, at the level of assistant secretary, deputy secretary and secretary general.

In 2012, the TLAC was restructured by the then-Minister for Public Expenditure and Reform to further ensure its independence and transparency. It now comprises nine external members, one of whom acts as chair, and seven members of secretary general grade from within the civil service, thus maintaining a majority of non-civil servants. Recommendations for appointment are made by in-depth assessments by interview panels following a shortlisting of eligible applications. The actual appointments are made by ministers and the government.

During this period, the proportion of candidates from the civil service, public service and private sector recommended for appointment has been tracked and reported on. During the period 2012-19, the proportion of candidates recommended for appointment who came directly from the private sector varied from a high of 21% to a low of 5%. It is noteworthy that in 2021, for the second year in a row, no candidate from the private sector was recommended for appointment by the TLAC, although 30% of eligible candidates came from that sector. This had not occurred at all between 2012 and 2019. Although a greater number of eligible applicants in 2021 came from outside the civil service (27% from the wider public service and 30% from the private sector), the success rate for civil servants securing a recommendation is far greater than for candidates outside the civil service. The TLAC notes in its most recent report that the overall standard of candidates presenting for interview during 2021 was impressive, as it has been in previous years. It is also worth noting that while no recommendations for appointment during 2021 favoured candidates coming directly from the wider public service, the TLAC noted that a number of those recommended or called to final interview would have had private sector experience before joining the service.

The TLAC acknowledges the challenge of identifying the optimal mix of backgrounds in the upper echelons of the civil service. A greater variety of career backgrounds and experience should serve to broaden the service's capacities. But it is also necessary to have continuity, strong corporate memory and specialised knowledge.

Source: Based on information provided to the OECD by an Irish peer reviewer. Background information from TLAC (2022^[21]).

Recruitment of officials in self-governing territorial units

The provisions in the Act on Local Self-governing Units regarding recruitment are less detailed than for employment at the central level. Recruitment in self-governing territorial units is carried out through a “public call” and a “tender” process. The public call refers to general positions in self-governing territorial units; the tender process is for the appointment of the head of an authority or a senior official. It only covers staff hired on an open-ended contract that work in a number of places, such as a regional authority, the City Hall of Prague, a municipal authority of a municipality with extended competence or an authorised municipal authority. Section 8 of the Act on Officials of Territorial Self-governing Units describes the evaluation process for tenders, which is a tender committee with three members. The Committee shortlists candidates for interview at the end of the process and provides basic applicant data and information on the successful candidate to other candidates if they ask for it.

Ensuring effective learning and development systems

Improving attraction and recruitment systems is one part of building a future-ready Czech administration. The skills and competencies required at work, and particularly in the public service, are changing rapidly as the role of the public servant continues to evolve. Digitalisation means that public services need a new set of technological capabilities, such as the ability to work with big data, as identified in the Czech public administration reform agenda (Czech Ministry of the Interior, 2020^[1]). In parallel, there is a shift towards valuing not just technical knowledge but a broader range of competencies, behaviours and socio-emotional skills. Moreover, most Czech civil servants have open-ended contracts and stay in the Czech administration for most or all of their careers – though the provisions of the act may change this. This means that while they might have been hired based on a particular skill set or capability, the pace of change means that continual investment in learning is necessary – as is the case, for example, in digital skills (see Box 6.4).

This increased need for high-level cognitive and complex social-interaction competencies is leading to new learning and training needs. These competencies contribute to aspects of effective leadership, crisis and change management, innovation, and more. They are also capabilities that are being called upon in a variety of positions, making acquiring them essential for organisational and workforce resilience, flexibility, and mobility. This is why fit-for-purpose learning systems and strategies that enable public servants to upgrade their skills, and acquire new ones, are essential for keeping up with challenges, mitigating skill depreciation, and addressing capacity and competency gaps.

Box 6.4. Developing specialist and transversal skills in the UK Civil Service

Digital capabilities increasingly underpin much of how government functions (see Chapter 5). The UK Civil Service has developed a capability framework in this regard to provide clarity on specific functions in this rapidly evolving field. The purpose is to describe different job roles in this field and provide details on the skills needed to work at each role level. The framework is designed to help civil servants:

- learn about what different roles do in government
- understand what skills are needed by professionals in particular jobs
- identify skills that need development to help career progression
- assess skills in preparation for performance reviews
- create effective job adverts
- carry out human resources and workforce planning.

In addition to this technical knowledge, the UK Civil Service has developed a transversal learning curriculum focusing on five core elements applicable to all civil servants:

- Strand 1: Foundations of public administration
- Strand 2: Working in government
- Strand 3: Leading and managing
- Strand 4: Specialist skills
- Strand 5: Domain knowledge.

Source: UK Central Digital and Data Office (2022^[22]).

This chapter has examined attraction and recruitment systems in the Czech administration. The other side of the coin is putting in place effective learning and development opportunities for public servants to help them learn as they go. Learning and developing opportunities are a powerful magnet for talent: studies suggest that organisations that highlight development opportunities are more likely to attract young candidates in particular (see, for example, Gallup (2016^[23])). And with policy challenges becoming even more complex, recruitment and selection systems will need to increasingly focus on identifying candidates who are eager and able to learn and develop new skills.

This is why the OECD Recommendation of the Council on Public Service Leadership and Capability calls on administrations to move away from a narrow focus on “training” toward a broader and more inclusive learning culture. Core parts of building this culture include:

- identifying employee development as a core management task of every public manager and encouraging the use of employees’ full skill sets
- encouraging and incentivising employees to proactively engage in continuous self-development and learning, and providing them with quality opportunities to do so
- valuing different learning approaches and contexts, linked to the type of skill set and ambition or capacity of the learner.

Article 107 of the Civil Service Act specifies four types of learning: entry-level training, life-long training, training for senior civil servants and language learning. Entry-level training is primarily geared toward preparing new civil servants to pass the mandatory civil service examination and learning the organisation’s internal procedures. Life-long training is the responsibility of individual “service” or

“appointing” authorities. Basic requirements and further guidance on the contents and processes related to particular types of learning are set commonly for all service authorities by the Framework Rules for Learning in Service Authorities No. 4/2019 issued by the Deputy Minister for Civil Service. Nevertheless, there is no common learning and development strategy or plan across service authorities. A large part of this training is dedicated to new legislation, cybersecurity, anti-corruption measures, etc. Senior civil servants are supposed to receive training in areas such as leadership and human resources management, conflict resolution, and other soft skills, with individual service authorities responsible for defining content and format based on their needs. Language learning is mainly restricted to posts with a proven need for knowledge of a foreign language.

Training is decentralised: each ministry or agency is responsible for conducting a needs analysis and establishing an annual training plan. The role of the Ministry of the Interior is limited to administrative co-ordination, issuing recommendations on training and providing the overall framework for service authorities to carry out training. It mostly does not carry out training itself, apart from some modules related to the Civil Service Act. The act also specifies that the scope and content of training should depend especially on the outcome of individual civil servant’s performance appraisal as well as on proposals from their superiors beyond the performance appraisal.

In this context, the question for the Czech administration is the extent to which the current training structure and offering (i.e. format and content) contribute to building a high-performing public service. One of the key issues in the Czech administration is that training initiatives are not guided by or aligned with any central strategy. Most individual service authorities carry out their own training initiatives on an ad hoc basis based on a needs analysis that, in any case, is not standardised across other service agencies. This potentially leaves the door open to duplication of effort or sub-standard provision of training in transversal areas where a centralised or joined-up training offer could generate economies of scale. It also reduces the opportunity for training to be used as a way for civil servants to build professional networks across government, e.g. through in-person training events open to staff from different service authorities or using common language and formats. While individual service authorities may indeed have specific training needs not reflected in other authorities, there are a number of core competences that public servants across the OECD are increasingly being asked to develop (OECD, 2017^[24]):

- **Policy advice and analysis:** Civil servants work with elected officials to help develop policy. However, new technologies, the increasing role of data, a growing body of policy-relevant research and a diversity of citizen perspectives demand new skills for effective and timely policy advice.
- **Service delivery and citizen engagement:** Civil servants work directly with citizens and users of government services. New skills are required for civil servants to effectively engage citizens, crowdsource ideas and co-create better services.
- **Commissioning and contracting:** Not all public services are delivered directly by public servants. Governments across the OECD are increasingly engaging third parties to deliver services. This requires skills in designing, overseeing and managing contractual arrangements and procurement processes with other organisations.
- **Managing networks:** Civil servants and governments are required to work across organisational boundaries to address complex challenges. This demands skills to convene, collaborate and develop shared understanding through communication, trust and mutual commitment.

Alongside these areas, citizens around the world demand and expect local services. This dichotomy between global challenges like combating climate change and local services is reflected in the expectations of public administrations. However, it is clear that strengthening citizens’ trust in public institutions requires public officials to be able to respond to global challenges while keeping in mind the local dimension of their missions (OECD, 2022^[25]).

These global competencies are multidimensional and must enable public officials to understand the interactions between local and global policy issues, to appreciate different perspectives and worldviews,

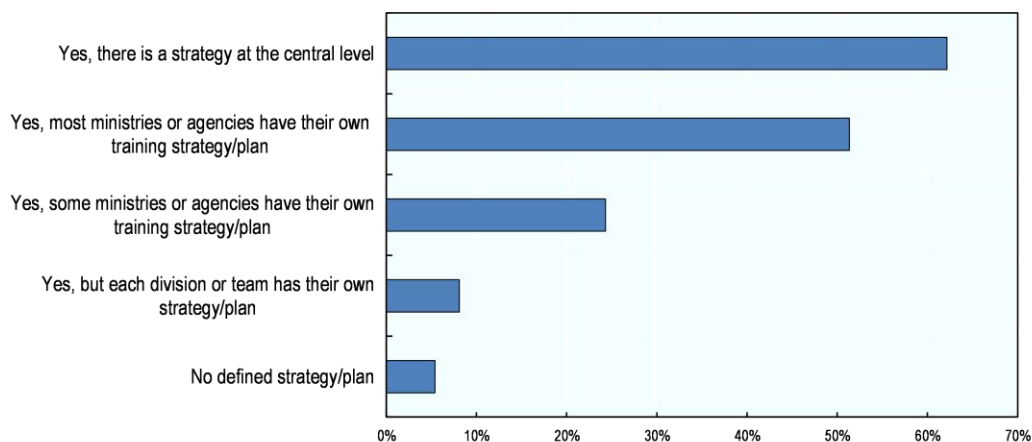
to interact successfully with others, and to take responsible action for sustainability and collective well-being. The question is, therefore, how to integrate these competencies into public functions across different fields of public policy expertise. These types of competences are more difficult to learn passively in a classroom. However, they can be developed through innovative training methodologies and work practices, such as scenario-based training or coaching/mentoring.

Training initiatives are fragmented

As shown in Figure 6.8, most OECD administrations (59%) have a centralised learning and development strategy. In just under half, most ministries or agencies have their own training strategy or plan. Learning and development strategies are not just catalogues of training courses done well, they set a common vision for what types of competences, mindsets and skill mixes are seen as important to the way the public service will be called upon to work in the future. They set out a range of options for staff to improve their skills in a variety of areas depending on their functional area and level of hierarchy. Like competency frameworks – as learning and development strategies are often aligned with competency frameworks – learning and development strategies help managers and staff across the government understand what is expected of them in terms of learning. They often include tools, guidelines and instructions on how to access different learning resources. The Government Skills and Curriculum Unit in the UK Civil Service, for example, recently published a strategy for creating a new curriculum for all civil servants (UK Civil Service, 2021^[26]).

The Czech administration does not have a comprehensive competency framework. The Framework Rules for Learning No. 4/2019, however, include some general competencies and areas for focusing training (e.g. in the case of senior civil servants). Certain service authorities have their own competency models.

Figure 6.8. Learning and development strategies for central/federal public servants



Source: OECD (2020^[5]), Module 5.

In relation to the organisational body that carries out learning and development across the central/federal administration, OECD data show that ministries and agencies conduct and arrange their own training in more than three-quarters (27 out of 37) of OECD countries. Of those 27 countries, the vast majority (22) have either a dedicated central training ministry or agency, a national school of government, or both.

Although there are provisions related to training in the act and the brief reference to ambitions for training in the public administration reform agenda, there is no centralised learning strategy for the civil service to operationalise those ambitions. The result is that each service authority in the Czech administration is responsible for conducting a needs analysis, developing its own learning and development strategy, and

implementing and evaluating the results. As there is no centralised learning and development strategy, there is a risk that, over time, this structure may lead to duplication of effort or sub-provision of necessary training. It could also lead to the fragmentation of budgetary resources that could potentially be used more effectively to target transversal competences across the civil service and generate economies of scale, especially through the use of online learning modules. This dynamic is also reflected in how service authorities procure training services from external training providers. Most service authorities use some form of external training for which most have signed framework agreements with external training providers to cover multi-year periods. There is likely a degree of duplication in the types of training being provided. Interviewees also noted that procurement of external training tended to be caught up in red tape: class size above a certain number is subject to more stringent procurement rules, potentially creating a disincentive to large-scale and transversal needs.

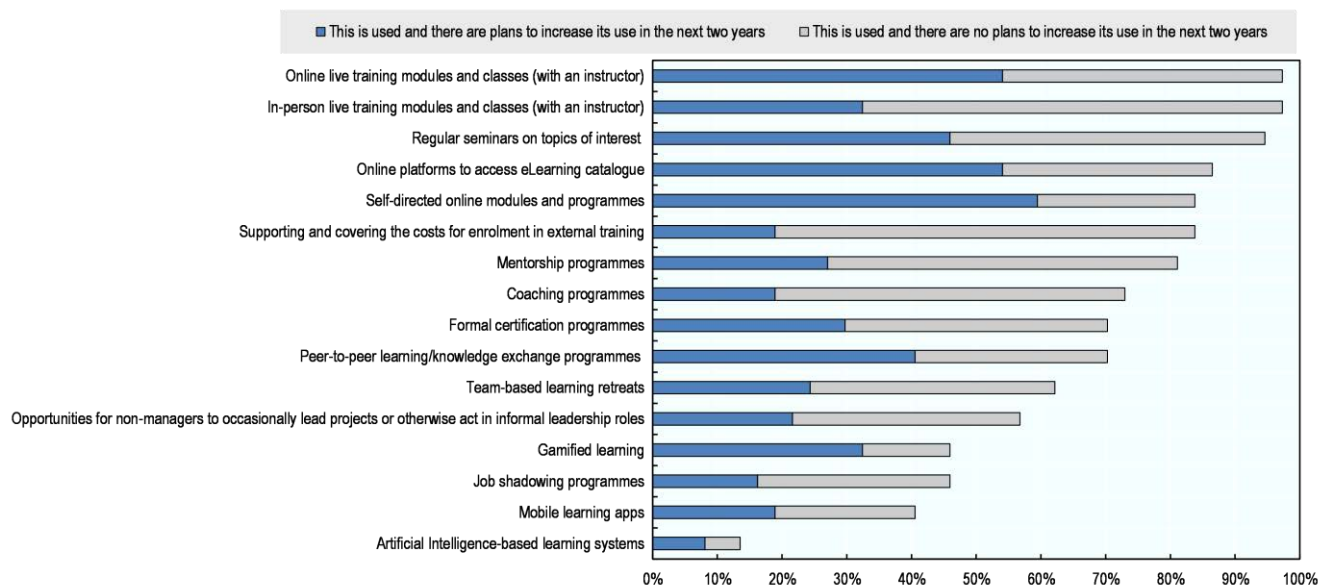
Learning tools and responsibilities could be broadened

People learn in lots of different ways. Some may thrive in formal learning environments, such as instructor-led or classroom-based courses. Others may prefer a self-directed curriculum or choosing what they want to learn. This is an important aspect, as some public services see training as either a “perk” or benefit, or else as something that can only happen if there is a direct and explicit link between the official’s job and the training being provided.

Still others may learn more informally, such as through on-the-job tasks or mentoring. Providing a variety of opportunities to learn, and reaching the greatest number of staff, therefore, becomes vital. Other needs also influence learning outcomes. For example, workers who have childcare or similar caring responsibilities may not be able to participate in training at certain times of the day, or in training that requires travel. Not all employees will feel comfortable in mentorship or leadership roles, and these may not be the best choice of development techniques for all positions. The underlying point is that effective development strategies take into account the diverse learning styles and needs of the workforce, and can flexibly adapt to provide opportunities that realistically provide the best outcomes.

Figure 6.9 outlines a variety of learning tools used across the OECD. “Live” training modules, either online or in-person, are the most-used tools, closely followed by regular seminars on topics of interest. Looking at the chart in terms of plans to increase the use of tools (the dark blue bar), self-directed online modules rank the highest. In other words, while most public administrations still place a lot of emphasis on instructor-led training, many (62%) plan to increase the use of programmes for staff to take more control of their own learning journeys. This is an important point because some public administrations adopt a relatively strict approach in that learning has to be formally requested by staff members and approved by superiors based on a direct link between the learning and the staff member’s job description. In some cases, this makes sense. For example, a civil servant working on taxation might legitimately need to attend a seminar on new legislation on multilateral tax developments, but an official working on social policy for children probably does not. In most cases, however, providing a set of common learning modules on an on-demand basis for staff sends a message that learning is not something to be “requested” – it is an activity that is a core part of everyone’s job.

Figure 6.9. Use of learning tools



Source: OECD (2020^[5]), Module 4.

Managers in the Czech administration are required to identify the learning needs of their subordinates. As noted above, identifying employee development as a core management task of every public manager forms part of the OECD Recommendation of the Council on Public Service Leadership and Capability. However, identifying learning needs is a difficult business. It involves examining emerging trends likely to affect the public service in the long term (like the many impacts of digitalisation) and drawing on an intimate knowledge of individual staff members' abilities and development ambitions, as well as broader team and organisational needs. Managers should certainly be involved in identifying and articulating learning needs, but the bigger question is what level of support can they draw on from HR units and specialised learning and development officers more readily equipped to link business needs with the most appropriate learning tool.

Scope to review the structure of training and the role of the Ministry of the Interior

Service authorities in the Czech administration are responsible for training. However, these efforts are fragmented in the absence of a central training strategy. While they may indeed address capacity gaps, they likely do not serve to improve the overall capacity of the administration in line with a higher level strategic agenda, such as the public administration reform agenda. This is partly related to the provisions of the act – the Ministry of the Interior has a co-ordination mandate for training, but in practice, this is not seen as extending to the realisation of learning. In parallel, service authorities have traditionally been reluctant to “give up” control of training competence, in part because of sunk costs involved in contracts signed with external training providers for learning programme design and delivery, but also because of perceptions that their specific training needs may not be covered under a central strategy.

The Czech public administration reform agenda is ambitious, and delivering on that ambition requires skilled public servants. In this context, a potential pathway for reforming learning and development lies in examining three things: first, what transversal competences are needed across government; second, how can these be set out in a strategy to provide clear and common expectations across government; and third, who is best placed to deliver these learning opportunities. As described in Box 6.5, the Irish public service has gone through a similar reflection and has moved from a fully decentralised learning structure to a mix of central learning in core areas supported by department-specific learning where necessary.

Box 6.5. Developing a centralised learning and development system in the Irish public service

OneLearning, the centralised Learning and Development Centre for the Civil Service, is based in the Department of Public Expenditure and Reform. OneLearning was established in 2017 under “The Civil Service Renewal Plan October 2014” (Action 9). This was formal recognition of the importance of the role of learning and development in supporting all civil servants to continue to develop essential skills for their current and future roles in a culture of continuously improving the quality of service to the citizen.

OneLearning has centralised the administration of learning and development courses common to 44 civil service bodies, providing standardised high-quality training to approximately 42 500 civil servants nationwide. This has a significant positive impact on the civil service. The implementation of the civil service-wide learning management system (LMS) has made the administration of learning and development more effective across government, greatly enhancing the ability of civil service bodies to provide high-quality learning and development to staff and making training more accessible to all.

Prior to the establishment of OneLearning, 44 civil service bodies delivered their learning and development programmes independently. There were no synergies or consistency, with civil service bodies doing their own procurement. This resulted in major inefficiencies and duplication across the civil service. It did not deliver value for money for the citizen or the civil service. In addition, there was no consistency of access to training for civil servants across the government.

The establishment of OneLearning and the implementation of the LMS has achieved the following significant efficiencies and cost savings for the civil service:

- self-enrolment for learners – eliminating manual administration of course sessions previously done by managers and training units
- central procurement of learning and development solutions – eliminating civil service bodies doing their own procurement, previously done by all 44 civil service bodies leading to major inefficiencies and duplication across the civil service
- introduction of the first single standardised Joint Controller Agreement for data protection in the civil service – leading to efficiencies and good practice in data protection
- central administration of all OneLearning courses on the LMS – forecasting, scheduling and post-course administration previously done manually by civil service bodies for their own organisation
- LMS reporting capability in informing training needs analysis across the civil service.

Source: Based on input provided to the OECD by the Irish Department of Public Expenditure and Reform.

Learning and development in self-governing territorial units

Objective 4 of the Czech public administration reform agenda relates to learning and development. This objective focuses on improving the knowledge and skills of local self-government officials as well as elected representatives of self-governing units. One of the main drivers of this appears to be the need to prevent “conduct that could be assessed as illegal” (Czech Ministry of the Interior, 2020^[1]), which is designed to be achieved through training that is more tailored to the needs of officials than in the past. Regarding the education of elected representatives of self-governing units, this issue is covered by the Client-Oriented Public Administration 2030.

One of the particularities of the structure of learning and development in local self-governments is that the Ministry of the Interior has formal responsibility for this even though it is not the employer of local self-government officials. Its principal role is to define minimum standards of the special trainings and to prepare the structure of the entry-level exam taken by all newcomers at sub-national level as set out in the forthcoming amendment to the Act on Officials of Territorial self-governing units. In the future, officials will have to pass a general entrance exam, as well as a separate exam ('special professional competence exam') to be taken within 18 months of taking up duty in order to exercise delegated powers. Training is largely focused on the administrative aspects of officials' tasks. Aside from some ad-hoc initiatives, broader competences – 'soft skills' – are not currently a sustained focus of most learning content. Senior officials are required to take mandatory training focusing on management and human resource issues within two years of their appointment.

A forthcoming amendment to the Act on Officials of Territorial Self-governing Units proposes changes to the training system designed to improve access to training by simplification of the accreditation system for training programs, and through tighter quality controls on a reduced number of accredited training institutions.

Building the evidence base for better human resources policies

This chapter has discussed the challenge of attracting, recruiting and developing public servants in the Czech Republic. One of the biggest stumbling blocks to better performance in these areas is using data to challenge or validate anecdotal insights, and to inform the development of data-driven HR planning. In this context, many OECD administrations increasingly frame data as a vital asset to organisational management and innovation (OECD, 2019^[27]).

The importance of data in HR planning is recognised in the OECD Recommendation of the Council on Public Service Leadership and Capability. While there is some overlap in how administrations use terms such as "HR analytics", "people analytics" and "workforce analytics", the important point is that administrations should work toward capitalising on the data they already have and explore ways to gather new and more relevant data. The Recommendation urges adherents to develop a long-term, strategic and systematic approach to people management based on evidence and inclusive planning that:

- is informed by an evidence-based assessment of the skills needed and the skills available to meet current and future core business requirements, using HR and workforce data for strategic and predictive analytics, while taking all the necessary steps to ensure data privacy
- sets strategic direction and priorities with input from relevant stakeholders, in particular public servants and/or their representatives, and the management accountable for implementation
- considers all relevant aspects of people management and ensures alignment with the government's strategic planning processes, including budget and performance management
- includes appropriate indicators to monitor progress, evaluates the impact of HR policies and processes, and informs decision-making (OECD, 2019^[6]).

Potential for the use of data to help develop recruitment and learning and development strategies in the public sector is considerable. For example, it would be interesting to know more about the professional background of high-performing recruits across government to identify potential patterns in terms of previous employers or specific learning and development activities undertaken. However, at a minimum, this would require data extraction from recruitment platforms (perhaps even paper files) and performance management systems, assuming that these systems are either standardised across government or interoperable. It would also require advanced data analytical capability to be able to generate meaningful insights.

However, the public sector is awash with personnel data, but these data are often not structured in ways that enable strategic analytics. Some of these gaps may be due to a lack of interoperability in HR systems across ministries or levels of government, or they may simply reflect a lack of capability to extract valuable information from large data sets and present those insights convincingly to leadership. A more exhaustive list is presented by Fernandez and Gallardo-Gallardo (2021^[28]) in Box 6.6.

Box 6.6. Barriers to human resources analytics and adoption

Data and models

- Lack of data integration and sharing
- Insufficient data and metrics
- Lack of standards for data and metrics
- Low-quality human resources data

Software and technology

- Absence of human resources analytics software for human resources professionals
- System incompatibilities prevent merging data from different units

People

- Lack of knowledge, skills and competences in analytics
- Lack of strategic business view
- Lack of storytelling skills

Management

- Keeping human resource analytics only in the human resources department
- Underestimate the impact of culture
- Replace management discussion by human resource analytics
- Focus on interesting problems instead of business problems

Source: Fernandez, V. and E. Gallardo-Gallardo (2021), "Tackling the HR digitalization challenge: Key factors and barriers to HR analytics adoption", *Competitiveness Review*, Vol. 31/1, <http://dx.doi.org/10.1108/CR-12-2019-0163>.

Using data to answer questions like this can also help reveal hidden biases. For example, excessive concentrations of new recruits from a relatively small number of elite universities may hint at challenges in developing a diverse public workforce that reflects the society it serves. This insight could inform career outreach strategies to universities outside this circle. Box 6.7 highlights two examples from the Public Service Commission of New South Wales to illustrate the potential of data to inform workforce strategies.

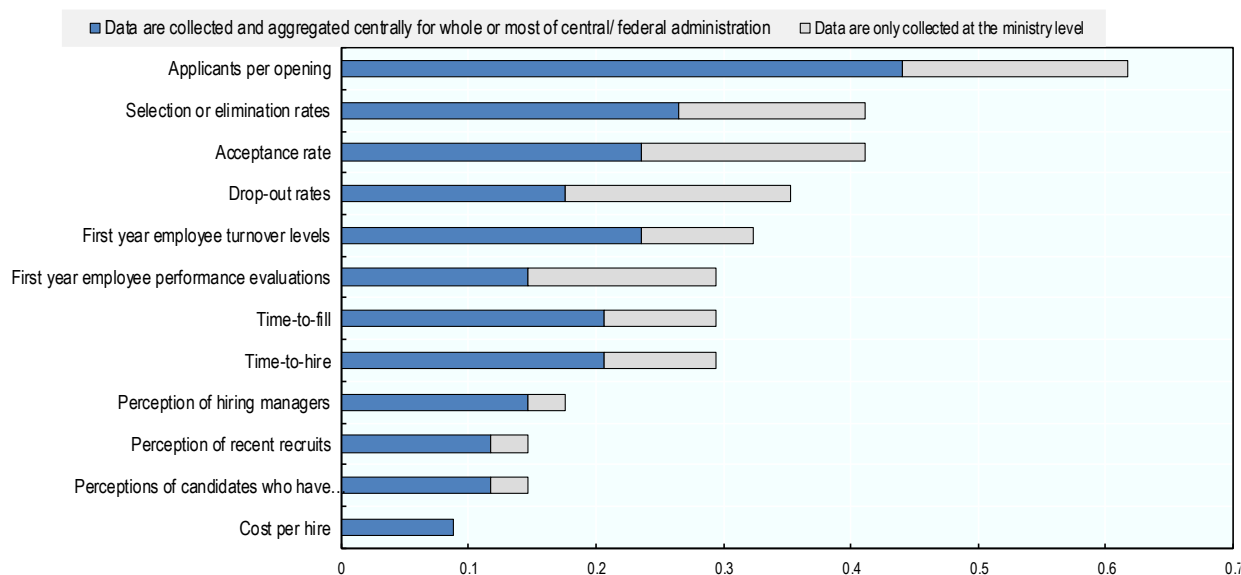
Box 6.7. Predictive analytics to meet diversity targets in New South Wales (Australia)

In order to monitor agencies' expected trajectories in meeting diversity targets, the Public Service Commission in New South Wales (Australia) has developed a model that predicted – based on current recruitment and separation behaviour across the public sector – what the proportion of women in senior leadership roles would be. This was then extended to each cluster and became the starting point to demonstrate that unless a framework of high-impact, whole-of-government initiatives were in place, there would be little movement in the rate. Thanks to this predictive model, the Public Service Commission arrived at the view that to achieve 50% of women in senior roles by 2025, the public sector needed six out of every ten appointments to senior roles to be women, rising from the baseline of four out of ten. Current data have shown this rate is now at 5.5 out of 10 (OECD, 2019^[27]).

A separate study used data analytics to investigate how diversity and inclusion practices affected unscheduled absences in the workplace. The study found that agencies where employees felt more included at work had lower rates of unscheduled absence than those agencies where employees felt less included (New South Wales Public Service Commission, 2018^[29]).

So what does this mean for the Czech administration in light of its goals to improve recruitment and better structure learning and development opportunities? The first step is to map what HR data already exist and at what level. Figure 6.10, for example, shows that relatively few OECD administrations collect centralised data on important metrics such as time-to-fill (i.e. the time it takes to hire someone to fill a need) and time-to-hire (i.e. the time it takes from the moment the candidate applies to accepting the job offer) – yet these are both areas where more systematic data collection could help improve recruitment processes.

Figure 6.10. Data collection to assess the speed and quality of recruitment processes



Note: n=34.

Source: OECD (2020^[5]), Module 3.

Potential areas for new data collection are broad, and include information about recruitment, training and learning, mobility, turnover, and worker demographics to ensure diversity. Employee surveys can be used to generate important insights about employees' perceptions and staff's overall motivation and engagement level. These data can feed indicators of workforce productivity and well-being, and can be compared across organisations, functions and/or types of employees to build awareness of specific workforce challenges. An increasing number of countries are implementing these tools and working alongside the OECD to develop and harmonise them for international comparison.

Equipping HR departments with the advanced data literacy and analytical capability needed to collect raw data and turn it into meaningful insights is an ongoing challenge to address. HR departments need to be able to recruit and train data-literate candidates who can understand the types of operational and strategic challenges faced by line ministries, staff across the public service and senior leadership. Data must first be collected in an informed, well-designed and comprehensive way to ensure it is accurate, robust and reliable before it can be analysed for meaningful results. Both of these steps require expertise. Making the most of the data may also mean investing in modern analytical and visualisation tools, as well as upskilling the HR workforce to integrate data into optimising organisational structures and processes.

For the Czech civil service, exploring the greater use of data in HR planning should be seen in the context of a wider reflection of the role and scope of the HR function in government. This chapter has focused mainly on two issues: recruitment and selection, and learning and development. Both are areas where data can play a vital role in improving effectiveness and efficiency. Recruiting more and better candidates, and developing varied and engaging learning opportunities can help operationalise much of the ambition reflected in the Czech public administration reform agenda. This requires co-operation across government and depends on a willingness to identify the margin for manoeuvre within the constraints of the Civil Service Act. Reducing the administrative burden on both the candidate and recruiter side, and thinking more strategically about learning, are two good places to start. The following recommendations offer suggestions for concrete steps to achieve both these aims.

Recommendations

Improve employer branding

Employer branding is an important part of positioning the public sector firmly in the minds of prospective candidates and of building an integrated civil service culture. The Czech administration could explore this through a number of actions, including:

- Developing an employer branding strategy for the Czech administration, reflecting on the balance of central guidelines or tools and empowering individual organisations to tailor branding strategies to their own needs.
- Consulting widely on the development of an employer branding strategy, e.g. through tools like staff surveys, focus groups, interviews and expert advice, to understand how the Czech administration is positioned in the minds of prospective candidates.
- Celebrating the values and achievements of the civil service, e.g. by communication campaigns explaining the work of civil servants to the wider public.
- Developing a more joined-up approach to social media use, e.g. centralised use of tools such as LinkedIn/Facebook and guidance to staff in using these types of tools to promote the work of the civil service.
- Gathering data to understand the reach and effectiveness of employer branding.

Modernise and streamline the recruitment process

Recruitment processes in the Czech administration are strictly governed by relevant legal provisions to ensure, among other things, fairness and transparency. This should not prevent the administration from reflecting on ways to make the recruitment process less burdensome for candidates and recruiters alike, and on strengthening its focus on up-to-date assessment and selection techniques to ensure the administration can attract the skills it needs. This could be achieved through actions such as:

- Gradually phasing out paper-based requirements for recruitment applications.
- Reviewing job descriptions to make them more engaging and accessible to outside audiences.
- Reviewing competence and skill requirements to ensure that recruitment and selection processes are able to test for future-oriented competences.
- Continuing and strengthening efforts to increase recruitment from outside the civil service at all levels to acquire skills and competencies that cannot be easily located or developed within the civil service while still promoting career development opportunities for the existing civil servant cohort.
- Building excellence in HR capacity at the central level and in HR units to carry out a variety of selection and assessment processes.
- Exploring the possibility of using “panel” or “batch” recruitment to recruit more than one candidate for specific cross-government roles, such as economists or analysts where analytical ability is essential.
- Developing a strategy for career outreach to prospective candidates, e.g. through university career fairs and local job employment fairs.

Reflect on the management of senior leaders

The senior leadership group in the Czech administration is defined as the top three grades. Increasing the ability of the administration to recruit senior civil servants involves reflecting on the management of this specific group as well as their unique development and career needs. This could be achieved through actions such as:

- Clearly defining in-demand skill sets that prove challenging to develop internally, and strengthening the use of external recruitment (i.e. from outside the civil service) to complement the existing senior management cohort with these skills.
- Identifying learning content and formats specifically targeted at the senior leadership group in the Czech administration with a view to building a cohesive management culture.
- Developing a “near-miss” engagement strategy, i.e. developing a pool of candidates not selected for civil service vacancies at the senior level but who performed strongly and could be encouraged to reapply.

Develop a centralised learning and development strategy for the civil service

Learning and development are a core part of achieving the goals of the public administration reform agenda. An overall strategy for learning and development would help improve learning outcomes. This could be achieved through aspects such as:

- Carrying out more in-depth and qualitative needs analysis across a variety of ministries and using the results to identify core skills and capability gaps.
- Developing a competency framework for the Czech administration and using it to help develop a learning strategy.
- Using the strategy to broaden the scope of learning opportunities, e.g. through piloting mobility programmes and developing governance arrangements for these.

- Reflecting on current institutional arrangements for learning and development provision, especially on what aspects of learning could be provided centrally (i.e. horizontally) across the Czech administration.
- Reducing duplication of training modules and sharpening quality control of the content.
- Emphasising the link between learning and career development.
- Reviewing the role of managers in developing learning and development plans for their staff: move away from top-down assignment of learning objectives toward empowering staff to take their learning needs into their own hands, e.g. through access to online learning.

Gather and use human resources data more effectively

The use of data and indicators emerged as a horizontal issue across the thematic areas explored in this chapter. The Czech administration could develop a more strategic view of data collection and analysis through actions such as:

- Quantifying recruitment challenges, e.g. through measuring data such as time-to-fill, vacant posts or turnover rate. Where these or similar data exist, the focus should be on presenting these data to relevant decision-makers so that policies and processes can be adapted as necessary.
- Upskilling HR departments and managers in the use of data sets to inform management.
- Investing in the ability to analyse and work with complex data sets: this may require acquiring specialist tools and/or expertise.
- Establishing a common vision for data-informed policy development relating to attraction and recruitment, as well as learning and development.

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Note

¹ Senior managers are defined as D1 and D2 managers, alternatively referred to as “senior civil servants” or “top managers”. The word “senior” denotes rank, and is not a reference to age or seniority in terms of career length or tenure. The D1 and D2 managers for which data are presented are adapted from the International Standard Classification of Occupations (ISCO-08) developed by the International Labour Organization.

7

COVID-19 Case Study: Strengthening Co-ordination Mechanisms for more Efficient Crisis Management in the Czech Republic

After a brief introduction of the Czech government's response to the health, economic and social effects of the COVID-19 crisis, this chapter examines the institutional and policy frameworks for crisis co-ordination in the central government. It then turns to the legal crisis frameworks for emergency regulations for evidence-based policymaking. The following section discusses the implementation challenges of the crisis management framework. It concludes with a series of recommendations aiming at improving the Czech Republic's governance arrangements on crisis management.

Introduction

The unprecedented scale of the COVID-19 pandemic severely affected societies, economies and governments. While most OECD countries had frameworks for crisis management prior to the pandemic, no country was fully prepared to adequately cope with a crisis of the magnitude of COVID-19. Governments faced complex challenges in responding at the speed and scale needed to help citizens and businesses weather the effects of the crisis while ensuring the provision of essential services. To manage and mitigate the effects of this unprecedented crisis, OECD public administrations had to adapt fast and develop innovative measures and mechanisms: new service delivery models were designed and implemented, emergency regulations and protocols were adopted, new co-ordination mechanisms were created, and innovative ways of working established (OECD, 2021^[1]).

Managing modern crises strategically requires strong co-ordination mechanisms “to help make sense of the unknown” (OECD, 2018^[2]) and ensure efficient and co-ordinated whole-of-government responses. In managing the crisis response and the recovery phases of the COVID-19 pandemic, the institutions composing the centre of government (CoG) – which are the administrative structures supporting the executive (see Chapter 2) – have proven to be key actors (OECD, 2020^[3]).

The Czech Republic had a crisis management structure in place prior to the pandemic with predefined institutional, policy and legal frameworks. In terms of infrastructures, the government activated its central crisis co-ordination and advisory unit, the Central Crisis Staff (CCS), and created other *ad hoc* advisory bodies, such as the Government Council for Health Threats (hereinafter, the “Council for Health”). Yet, the government faced several governance challenges in implementing these frameworks and measures, which limited the impact of its crisis response. In particular, the co-ordination between a predefined co-ordination and advisory body (CCS) and *ad hoc* advisory bodies (e.g. the Council for Health) that were not incorporated into the predefined institutional framework hindered effective co-ordination and decision-making. Additional challenges observed in the response to the crisis included the lack of staff capacity for crisis management in the public administration, the absence of centralised crisis management information systems to support evidence-based responses, the lack of consistent communications with key stakeholders and the general public, and the lack of institutionalised procedures to ensure stakeholder engagement in decision-making processes. Moving forward, the government has an opportunity to strengthen the crisis structure with the Czech National Recovery Plan and its reform agenda to build back better and increase resilience for future shocks. As a result, the Ministry of the Interior is revising the crisis legislation, expected to enter into force in 2025, to strengthen co-ordination and regulatory mechanisms for more efficient crisis management.

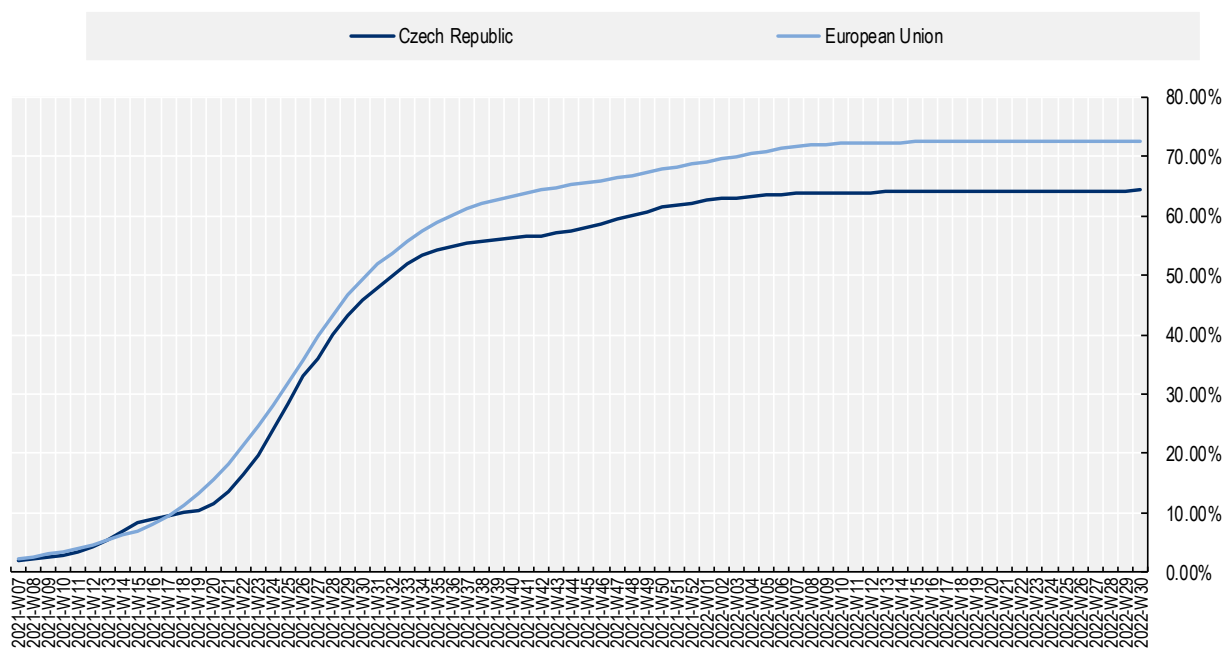
The purpose of this chapter is not to evaluate the Czech Republic’s entire response to the COVID-19 crisis. Rather, it aims to examine the governance and regulatory practices during the pandemic to provide insights on the challenges and opportunities of the crisis co-ordination and regulatory mechanisms, draw comparisons with other OECD countries, and explore ways to strengthen the overall governance framework for crisis management and increase resilience to future shocks. It also aims to provide insights into the reform of the Czech Republic’s crisis legislation. To that end, this chapter will first examine the relevant institutional, policy and legal frameworks in place for crisis management, including the new measures adopted to address the impacts of the COVID-19 pandemic. It will then assess the governance implementation challenges of these frameworks, particularly focusing on the topics covered in the different substantive chapters of the present review. Finally, the chapter will provide actionable recommendations for the government to strengthen co-ordination and regulatory mechanisms for more efficient crisis management. The chapter will also benchmark the Czech Republic’s crisis governance arrangements with the experience of OECD countries in responding to COVID-19. In particular, the recently published OECD report *Evaluation of Luxembourg’s COVID-19 Response: Learning from the Crisis to Increase Resilience* showed the quick activation of an already mature crisis system in the country that was complemented by the development of new governance arrangements (OECD, 2022^[4]).

Snapshot of the government's response to the health, economic and social effects of the COVID-19 crisis

The Czech Republic has been significantly hit by the health, economic and social effects of the COVID-19 crisis. In terms of health effects, from the beginning of the pandemic to August 2022, the country had registered more than 4 million infections and more than 40 500 deaths, the second-highest mortality rate per 100 000 people among OECD countries and the fourth-highest within the European Union (Johns Hopkins University, 2022^[5]).¹

The cumulative uptake of full vaccination of the total population in the Czech Republic reached 64% in August 2022, which is below the EU average of 73% but above other Central Eastern countries (European Centre for Disease Prevention and Control, 2022^[6]) (Figure 7.1). As in most countries, the Czech Republic has been hit by several waves of COVID-19, particularly in the last quarter of 2020 and the first quarter of 2021, with the latest one in the winter months of 2021-22 with the spread of the Omicron variant (WHO, n.d.^[7]). This led the government to implement a series of lockdown and containment measures.

Figure 7.1. Vaccination rate in the Czech Republic and the EU as of July 2022



Source: European Centre for Disease Prevention and Control (2022^[6]).

After several years of robust economic growth, the country's gross domestic product contracted sharply in 2020 to -5.5%, mainly due to the strict lockdown in April 2020 to contain the pandemic. Growth accelerated in 2021, reaching 3.5% with improvements in domestic demand, most notably in household consumption (Ministry of Finance of the Czech Republic, 2022^[8]). However, as for most OECD countries, the recovery in 2022 is slowing due to new challenges of "supply disruptions, rising prices and overall uncertainty related to the Russia's war of aggression against Ukraine" (OECD, 2022^[9]). The unemployment rate in the Czech Republic was low prior to the pandemic at 2% of the labour force in 2019, compared to the EU average of 6.8% and the OECD average of 5.4% (OECD, 2022^[10]). While it faced a slight surge during the pandemic, it has remained comparatively low at 2.5% in 2020 and 2.8% in 2021.

In addition to the direct health and economic impacts, the pandemic touched virtually every aspect of people's lives. The crisis therefore tested governments' capacity to react, adapt and deliver quickly, which is directly affected by citizen's confidence in public institutions. Citizens in the Czech Republic report having less trust in public institutions than in OECD countries. Only 34% of Czech citizens trusted the civil service, compared to 49% across the OECD on average; 14% trusted parliament, compared to 34% across the OECD; and 42% trusted government, compared to 51% across the OECD according to Gallup World Poll (OECD, 2021^[11]). Latest data from the OECD Trust Survey points out to even lower trust levels with 4 citizens out of 10 trusting their national government across surveyed OECD countries, which does not include the Czech Republic (OECD, 2022^[111]). Trust is essential to ensure citizens' support in designing and delivering policies and services during a crisis.

The Czech Republic has largely used monetary and fiscal policies to mitigate the effects of COVID-19. Given the accelerating inflation rates, the Czech National Bank raised the interest rate at several instances between June 2021 and June 2022 reaching 7% in June 2022 (OECD, 2022^[9]). The government implemented a significant number of COVID-specific programmes in 2020, which were mostly extended until 2021 and some until 2022 (OECD, 2021^[12]; Government of the Czech Republic, 2022^[13]). These programmes were designed to help cushion the effects of the pandemic on citizens and businesses. For instance, the COVID-19 "Antivirus" consisted in job retention programmes that were extended several times until June 2022 and the COVID-19 technology programme helped businesses acquire new equipment, technology and facilities to contain the spread of the pandemic (OECD, 2020^[14]). The successive COVID programmes also helped provide guarantees to businesses and entrepreneurs. Programmes were likewise targeted to the most severely hit sectors during the pandemic, including tourism, accommodation and catering, as well as food producers. Citizens and pensioners also benefited from a number of programmes and support measures, including increases in pensions and deferrals of tax, rental and loan repayments (Government of the Czech Republic, 2022^[13]).

The COVID-19 pandemic has been a crisis of unprecedented scale, for which no country was fully prepared

The OECD Recommendation of the Council on the Governance of Critical Risks calls adherent countries to "develop a national strategy for the governance of critical risks" to establish responsibilities for the whole risk management cycle: identification and assessment, prevention and mitigation, preparedness and response, and recovery and reconstruction (OECD, 2014^[15]). Recognising its importance for crisis management, most OECD countries had a national strategy with these characteristics in place as well as institutional leadership designated to co-ordinate the implementation of such strategies across levels of government in the event of a crisis (OECD, 2018^[2]). In fact, data from 2018 show that nearly all OECD countries had established inter-agency co-operation mechanisms to face major crisis events.

Yet, the COVID-19 pandemic showed that no country was fully prepared to face its health, economic and social effects. Evidence from the OECD has shown that, following major disasters, countries had to adjust their crisis management frameworks since "black swan" events, such as the pandemic, show that crisis plans, frameworks and structures while fundamental are not enough to face the unknown (OECD, 2018^[2]). The increased complexity of modern crises in terms of scale, novelty and unprecedented nature, coupled with fast-paced changes driven by the digital and green transitions, represent a crucial challenge for governments in managing the uncertainty surrounding a crisis (OECD, 2018^[2]).

The transversal nature of modern crises requires governments to respond in a co-ordinated and effective manner to multidimensional challenges. This requires the involvement of a wide variety of stakeholders in all phases of the crisis cycle, from different government and public agencies, including the interagency network of emergency responders and other levels of government (particularly subnational governments) to civil society and the private sector. This is why one of the main challenges in managing a crisis is precisely the lack of adequate co-ordination and communication across the government and with

stakeholders (OECD, 2018^[2]). In the face of increased pressure from civil society and the media in responding to a crisis, governments need complementary approaches “to face the unexpected and respond to shocks of an unprecedented nature” (OECD, 2018^[2]). Political leadership is, therefore, crucial to steer and co-ordinate the government response and drive the national strategy for risks in large-scale crises such as COVID-19.

As part of its traditional capacities for strategic planning and co-ordination as well as its proximity to political leadership, the centre of government (CoG) is in a unique position to lead and support crisis management efforts (OECD, 2020^[3]). In fact, the 2017 OECD Survey on the Organisation and Functions of the Centre of Government found that 83% of CoGs assumed some responsibility for risk management, with over a third assuming primary responsibility (OECD, 2018^[16]). The reporting structures of national frameworks for crisis management can also shed light on the traditional role of the CoG in the event of a crisis, depending on the country (OECD, 2020^[3]). In 13 out of 34 cases, the lead institution reports directly to the head of government, while 19 report through a Minister, according to the OECD Survey on the Governance of Critical Risks (OECD, 2018^[2]). The Czech Republic belongs to the second group, as its main crisis management structure reported to the Ministry of the Interior. However, the COVID-19 crisis has also shown an important and sometimes competing role played by the CoG and its co-ordination structures.

The COVID-19 pandemic brought to light the importance of governance arrangements in OECD countries, and especially of the CoG, during a crisis. CoGs and a number of key line ministries performing some of the co-ordination functions of the CoG in OECD countries played a major role in leading the co-ordination efforts and strategic planning of the crisis both at the central and subnational level. They ensured trust in decision-making through the use of evidence, as well as through effective and coherent public communication. This chapter focuses on the governance arrangements in the Czech Republic, and particularly the role of the CoG, key line ministries and the main co-ordinating bodies for the crisis management of the COVID-19 pandemic, and on the regulatory responses provided during the crisis. As shown below, in the Czech Republic, the CoG and the co-ordinating bodies were crucial in implementing the institutional, policy and legal crisis frameworks.

Institutional and policy frameworks for crisis co-ordination at the centre of government and in line ministries

The Czech Republic had a crisis management structure prior to the pandemic with relevant legal, institutional and policy frameworks

Prior to the COVID-19 pandemic, the crisis management structure in the Czech Republic mainly consisted of several building blocks: a legal framework with a series of regulations framing crisis situations; an institutional framework with a working body for the crisis response, a leading line ministry and other *ad hoc* bodies; and a policy framework with crisis, epidemic and pandemic plans as well as crisis management information systems. This section will briefly describe each of these elements then will explore how these were implemented in practice during the COVID-19 pandemic.

The legal framework for crisis management

The Czech Republic has a robust and comprehensive series of regulations for crisis management that were in place before the COVID-19 crisis, the most relevant of which is Act No. 240/2000 Coll., or the Act on Crisis Management (hereinafter, the “Crisis Act”) (Parliament of the Czech Republic, 2000^[17]). Approved in 2000 and in force since 2001, the Crisis Act establishes the obligations of relevant crisis management authorities, including: the central government; ministries and other central administrative authorities; the Czech National Bank; regional authorities and other authorities with jurisdiction over the territory of the region; and municipal bodies with extended powers. It also outlines the specific obligations of relevant

ministries during a crisis: the Ministry of the Interior (MoI), the Ministry of Defence (MoD), the Ministry of Health (MoH), the Ministry of Transport, and the Ministry of Industry and Trade. Authorities are obliged to establish a crisis management office, prepare a crisis plan and designate dedicated staff for the crisis. More broadly, the Crisis Act allows the government to limit individual freedoms and rights during a state of emergency (i.e. freedom of movement, right to assembly, etc.). It also charges the government with establishing a working body to deal with crisis situations and to widely communicate any crisis measure or decision taken. Finally, the act also lays out the rights and obligations of natural and legal persons during a crisis (Parliament of the Czech Republic, 2000^[17]).

Another important regulation is the Constitutional Act of Law No. 110/1998 Coll., of April 22nd 1998 on Security of the Czech Republic. This law most notably provides the framework for declaring a state of emergency “in the event of natural disasters, ecological or industrial accidents, incidents or other dangers which to a significant extent threaten lives, health, property values or internal order and security” (Parliament of the Czech Republic, 1998^[18]). It specifies that the government or Prime Minister can declare a state of emergency for a maximum of 30 days, which can only be extended with the approval of the Chamber of Deputies (Parliament of the Czech Republic, 1998^[18]). Other crisis regulations relevant to the COVID-19 pandemic include, but are not limited to, Act No. 241/2000 Coll., on Economic Measures for Crisis Situations; Act No. 258/2000 Coll., on the Protection of Public Health; and Act No. 372/2011 Coll., on Health Services and Conditions of Their Provision.

The policy framework for crisis management

The policies for a crisis situation in the Czech Republic are mainly outlined in a number of crisis plans and, as relevant to the COVID-19 context, a series of epidemic and pandemic plans that were elaborated before the COVID-19 crisis broke out. Regarding crisis plans, as provided by the Crisis Act, public authorities are required to “prepare a plan that contains a summary of crisis measures and procedures for solving crisis situations” (Parliament of the Czech Republic, 2000^[17]) in areas under its competence. This is also the case in most OECD countries (28), where national strategies for governing critical risks serve functional purposes “to articulate, monitor and evaluate risk management policies, as well as to promote the development of emergency plans further to statutory responsibilities” (OECD, 2018^[2]).

OECD evidence shows that national strategies for critical risks can have different names and can be developed by different government bodies, typically from departments working within the CoG or within ministries with responsibilities for national security (OECD, 2018^[2]). In the Czech Republic, the Crisis Act requires a variety of authorities to prepare a crisis plan, from line ministries and other central administrative authorities, such as the Czech National Bank, to territorial self-governing units, including municipalities, regions and the capital. The Crisis Act also provides for the elaboration of crisis preparedness plans in entities that perform tasks based on these plans and, in particular, those subject to critical infrastructure, which are those whose disruption would have a serious impact on the security of the state, the provision of the basic life needs of the population, health or the economy (Parliament of the Czech Republic, 2000^[17]).

Most OECD countries (29) identify infectious diseases as a potential critical risk (OECD, 2018^[2]). This is also the case in the Czech Republic, as the country has developed a series of epidemic and pandemic plans, the most relevant ones being the National Pandemic Plan and the Model Action Plan for Epidemics – Mass Infections of Persons (hereinafter, “Model Action Plan for Epidemics”). The former was last updated in 2011 following recommendations from the World Health Organization on pandemic influenza preparedness and response after the SARS outbreak in 2002/03 and the H1N1 pandemic in 2009/10; as well as the recommendations from the European Union (EU) on pandemic planning and communication. The Czech National Pandemic Plan, therefore, sets out the procedures and the basic response system in the case of an influenza pandemic to mitigate the expected health, social and economic consequences (Office of the Government, 2011^[19]). Building on the National Pandemic Plan, the MoH developed its own

Pandemic Plan in 2012, which elaborates in detail four key areas: 1) vaccination strategy; 2) communication strategy; 3) activities of public health authorities; and 4) activities of health service providers (Ministry of Health of the Czech Republic, 2012^[20]). In addition, territorial self-governing units (municipalities, regions and the capital) need to develop specific pandemic plans that respond to their regional needs and therefore are more operational than the national and MoH plans. The MoH underlined that the National Pandemic Plan was created to deal with pandemics caused by new variants of the influenza virus. Hence, the epidemiological characteristics of the virus were not aligned with the National Pandemic Plan.

The MoH relied mostly on the Model Action Plan for Epidemics to face the spread of COVID-19. Since the outbreak started, the MoH implemented the plan and updated it several times during 2020-21 to incorporate procedures and experiences gained during the COVID-19 crisis, fully in line with World Health Organisation or European Centre for Disease Prevention and Control procedures.

Ensuring that information systems function in the aftermath of a shock is essential for the response and recovery phases. For that reason, the Czech crisis management information systems constitute another important element of the country's crisis policy framework. As provided in Section 26 of the Crisis Act, crisis management authorities are required to use crisis management information systems when planning and responding to a crisis as well as for ensuring accessibility standards of written and electronic data contained in the crisis plan (Parliament of the Czech Republic, 2000^[17]). Information systems prior to the pandemic were mainly used in planning state material reserves and the supply of critical resources (e.g. ARGIS or KRIZDATA systems) and in disseminating critical information to citizens (e.g. KRIZPORT system) (Vichová and Hromada, 2017^[21]). However, there is no central information system that allows data sharing across the crisis management system and many information systems are specific to each region. Most of the systems used for data exchange during the pandemic were created *ad hoc*. The systems should comply with the following rules:

- transmission of information to superiors, subordinates and crisis management authorities
- technical and programme adaptation for operation in difficult conditions
- security of information with the highest level of secrecy (Parliament of the Czech Republic, 2000^[17]).

These crisis information systems also follow the standards provided in Act No. 365/2000 Coll., on Public Administration Information Systems, which establishes the rights and obligations of administrators related to the creation, use, operation and development of public administration information systems, in addition to Act No. 99/2019 Coll., which regulates the accessibility of websites and mobile applications.

The new crisis legislation and management system currently being developed in the Czech Republic aims to help overcome the low interoperability of the information systems and develop a new crisis management information system to centralise, gather and exchange data in times of crisis.

The institutional crisis framework

Governments cannot manage a crisis alone and require whole-of-government co-ordination for effective crisis response and recovery. As in most OECD countries (33) (OECD, 2018^[2]), the governance arrangements for crisis management in the Czech Republic consist of an inter-agency co-operation mechanism, the Central Crisis Staff (CCS). According to Section 24a of the Crisis Act, the CCS is a working body dedicated to crisis situations whose composition and activities are regulated by statutes and rules of procedure approved by the government (Parliament of the Czech Republic, 2000^[17]).

The latest statutes, dating from February 2022, specify that the CCS is activated by the Prime Minister after the official declaration of a crisis situation, which can be a state of emergency, a state of war, a threat of a crisis or other serious situations concerning the security interests of the country (Government of the Czech Republic, 2022^[22]).

The CCS is mainly tasked with:

- preparing proposals for the government to respond in a crisis situation
- co-ordinating, monitoring and evaluating the measures adopted and implemented by the government, ministries, and other administrative authorities and bodies of territorial self-governing units
- ensuring co-ordination with crisis management authorities at the local, national and international levels
- co-ordinating the activities of regional crisis staff and crisis staff of municipalities with extended competences (Government of the Czech Republic, 2022^[22]).

The CCS is chaired by the Ministry of Defence if the crisis concerns a military threat or by the Ministry of the Interior for other crisis situations. The Secretariat of the CCS is comprised of employees from the MoI. The CCS has a flexible structure composed both of permanent members in crisis times and a changing number of members depending on the nature of the crisis. It generally includes senior public officials of key ministries (e.g. Finance, Health, Transport, Industry and Trade, Justice, etc.), as well representatives from relevant public bodies, such as the State Material Reserves Administration, the National Office for Cyber and Information Security, the State Office for Nuclear Safety, the Government Office, the Fire Rescue Service, and the Association of Regions (Government of the Czech Republic, 2022^[22]). This crisis institutional model based on vertical co-operation, which is activated in the case of a large-scale crisis, is also applied in several OECD countries such as Denmark and France. The other most frequently used model for inter-agency co-operation is typically found in federal countries such as Australia and Mexico, where subnational governments are primarily responsible for managing crises (OECD, 2018^[21]).

The activation of the CCS also entails the creation of thematic expert working groups, which are tasked to provide expert opinions and information to the secretariat. Some expert groups are created regardless of the crisis situation, which relate to crisis communication, material resource security and co-ordinating with regions. Others are *ad hoc* depending on the type of crisis, whether its climate- or health-related (Government of the Czech Republic, 2022^[22]). Finally, the operational functioning of the CCS is regulated by the rules of procedure, which provide technical specifications for the meetings of the secretariat and the expert working groups, including the conditions for participants, recording, minutes and communication with the media (National Security Council, 2022^[23]).

It should be noted that these statutes represent the latest update as of February 2022 and were updated several times during the COVID-19 crisis. To enhance the response to COVID-19, the government changed the statutes during the crisis to allow new figures to chair the CCS and to reduce the number of expert groups, with the abolition of the Expert Group on Communication, and reforming the body's relations with the National Security Council. Many of these changes were later overthrown by a new update of the statutes introduced by the government that moved key elements of the statutes back to the pre-COVID situation. One of the key changes concerned the chairmanship of the CCS. During the pandemic, the government changed the statutes to appoint the deputy Minister of health as chair of the CCS. With the latest update of the status, the responsibilities of the chairmanship of the CCS were returned to the MoI or the MoD. These evolutions created instability in terms of steering the CCS and underlined the importance of having sufficient capacities and convening power to manage the CCS and co-ordinate the overall crisis response.

The context of the health crisis: The key roles of the Ministry of the Interior and the Ministry of Health

Leadership at the national level is essential to drive the implementation of the policies outlined in crisis strategies and plans; achieve policy coherence; and co-ordinate responsibilities between line ministries, subnational levels of government and other stakeholders. Depending on the nature of the crisis, OECD

countries may designate this responsibility to different line ministries, with the leadership falling upon ministries of defence or justice for security risks and upon health ministries for infectious diseases. In the Czech Republic, this falls under the MoI or the MoD (OECD, 2018^[2]). OECD data show that while 58% of countries designated the Prime Minister/President's Office as the body/agency responsible for co-ordinating strategic planning for the COVID-19 crisis recovery efforts, 30% granted this role to other bodies, including the Czech Republic, which designated the Ministry of the Interior and the Ministry of Trade and Industry; 12% designated the Ministry of Finance (OECD, 2021^[1]).

While in the Czech Republic the MoI and the MoD have key leadership roles for any crisis context, the MoH also plays a central role in the context of health crises. The Crisis Act provides the MoI with the overarching objective of co-ordinating crisis management with the following main responsibilities, in addition to playing the role of the secretariat of the CCS:

- unifying procedures for crisis management
- organising briefings and trainings for public officials in crisis management bodies
- assessing the preparedness of line ministries and other central administrative authorities to deal with crisis situations, and assessing regional crisis plans
- preparing a training plan for crisis management authorities
- co-ordinating other tasks to ensure preparedness for solving crisis situations as needed (Parliament of the Czech Republic, 2000^[17]).

These responsibilities are implemented by the General Directorate of the Fire and Rescue Service and by the Security Policies Department within the MoI that both support the CCS when activated. The General Directorate of the Fire and Rescue Service helps co-ordinate and implement operational responses at the central and local levels and has, for instance, supported the deployment of key activities and facilities on testing tracing, transport and vaccine roll-out in the context of the COVID-19 crisis. The Security Policies Department serves as the secretariat of the CCS, is in charge of crisis management in the area of internal security, supports the overall crisis management system in the country on a permanent basis, and co-ordinates the activity and the preparations of the ministry's crisis management plan.

The MoH also played a crucial role in the COVID-19 crisis response. Generally, the MoH has a policy-setting and regulatory role in the Czech health system and manages several healthcare providers. It also oversees a number of subsidiary bodies: the National Institute of Public Health, the Institute of Health Information and Statistics, the State Institute for Drug Control, and the regional public health authorities – all of which gained in importance during the pandemic (OECD/European Observatory on Health Systems and Policies, 2021^[24]). As outlined in the Crisis Act, the MoH ensured the purchase and distribution of the necessary medicines. At the request of regions, it also co-ordinated the activities of emergency medical service providers and acute inpatient care providers. Finally, in accordance with Act No. 241/2000 Coll., on Economic Measures for Crisis Situations, the MoH also decided on the scope of health services provided by providers of acute inpatient care (Parliament of the Czech Republic, 2000^[17]). These responsibilities were exercised and implemented by the MoH during the COVID-19 crisis.

As the main CoG body in the Czech Republic, the Office of the Government played a role in supporting decision-making, steering and implementing policies recommended by the CCS and other line ministries and was charged with discussing the evaluation of approved measures and their possible adjustment during government meetings. Although the Office of the Government was not the main body in charge of crisis management and in preparing the recovery, it centralised the public communication of approved measures, which were mostly made through press conferences and subsequently published on a centralised portal of the MoH (Ministry of Health, n.d.^[25]).

Other line ministries had important responsibilities in the pandemic response. Notably, with the support of the Ministry of Finance, the Ministries of Industry and Trade, Labour and Social Affairs, and Regional Development processed compensation programmes for those affected by the emergency measures. In

interviews during the fact-finding mission, line ministries recognised that during the COVID-19 crisis response, they had enough flexibility to manage certain aspects of the pandemic pertaining to their area of competence. For instance, the Ministry of Education, Youth and Sport helped drive policies for teachers and students, including the creation of a dedicated COVID-19 hotline, providing guidelines for remote teaching and learning, disseminating information about the government measures, and helping distribute medical equipment.

However, public officials across ministries raised the issue that further guidance was needed from the CoG regarding policies and measures as well as communication towards stakeholders, echoing some of the shortcomings in its co-ordination and steering role observed before the crisis (see Chapter 2). Clearer co-ordination between bodies in charge of crisis management, mainly the CCS and the Council for Health, could have been supported by the Cabinet, and possibly the CoG, to avoid overlaps and confusion and streamline decision-making processes.

Declaration of a state of emergency and a state of pandemic emergency in the Czech Republic

Like a number of OECD countries, the Czech Republic declared a state of emergency and prolonged it several times in 2020-21. The first confirmed cases were detected on 1 March 2020. Shortly after, the government declared a state of emergency on 12 March with Resolution No. 194, along with restrictions for citizens and businesses, and declared the closure of borders on 16 March with Resolution No. 203 (Government of the Czech Republic, 2020^[26]). A series of social, health and economic measures followed to mitigate the effects of the crisis, including restrictions on social distancing, public services and education. After several extensions, the Chamber of Deputies voted to maintain the state of emergency until 17 May 2020 (Chamber of Deputies, 2020^[27]). After this date, there was no legal basis for maintaining the government resolutions with emergency measures, as reported by the European Union Agency for Fundamental Rights. Therefore, the MoH introduced other measures to cope with the pandemic based on Act No. 258/2000 Coll., on the Protection of Public Health. These were subsequently challenged in court due to the lack of legality from the MoH to restrict fundamental freedoms and rights under Act No. 258 (FRA, 2020^[28]). On 5 October 2020, the Chamber of Deputies approved a new declaration of a state of emergency which was extended several times until 11 April 2021. Another state of emergency was declared on 26 November 2021 for 30 days.

In parallel, the Czech Parliament adopted Act No. 94/2021 Coll., on Extraordinary Measures during the Epidemic of the Disease COVID-19. This act, known as the “Pandemic Act”, mainly aimed to regulate the new extraordinary measures taken during the crisis which temporarily amended other regulations affecting public life, such as restrictions on individual freedoms and rights, education, health, and employment, among others (Parliament of the Czech Republic, 2021^[29]). The Pandemic Act was effective in February 2021 and terminated in May 2022, date at which the Czech Republic officially ended the state of pandemic emergency (Government of the Czech Republic, 2022^[30]). More *ad hoc* regulations were adopted during the pandemic, including an amendment to the Crisis Act in 2021 as well as the adoption of Act No. 35/2021 Coll., on the Collection of Legal Regulations of Territorial Self-Governing Units and Certain Administrative Authorities. Act No. 35/2021 requires territorial self-governing units, including municipalities, regions and the capital, to publish regulations in a single database. The sub-sections below will further analyse the challenges of the crisis legal framework during the pandemic and the following section will focus on implementing the legal crisis frameworks and emergency regulations for evidence-based policymaking.

The Czech Republic activated the Central Crisis Staff during the pandemic as well as other ad hoc bodies

Overall, evidence from the OECD shows that emergency institutional arrangements to deal with the COVID-19 pandemic broadly fall into four categories: 1) *ad hoc* arrangements; 2) existing structures

adapted to the crisis; 3) temporary structures provided for by crisis management plans, policies or laws on national security; and 4) a hybrid approach, combining two or three of the aforementioned mechanisms (OECD, 2020^[3]). Box 7.1 provides examples of these different approaches in OECD countries.

Box 7.1. Examples of emergency institutional arrangements to deal with the COVID-19 pandemic

Ad hoc arrangements

- **Chile** created an Intersectoral Committee chaired by the president, with the presence of the Minister of health and undersecretaries of all government portfolios, which is tasked with anticipating the next steps and co-ordinating measures to protect the population. **Australia** established a National Cabinet consisting of the Prime Minister, the state premiers and chief Ministers of territories, and is advised by the Australian Health Protection Principals Committee led by the chief medical officer and the National Co-ordination Mechanism based in the Home Office. The Cabinet helped accelerate and co-ordinate the decision-making process, including at the local level, and was maintained after the crisis.

Existing structures adapted to the crisis

- The National Security Council of **Belgium**, chaired by the Prime Minister and composed of the Deputy Prime Ministers and the Minister-presidents of the regions, was charged with COVID-related decision-making. The decisions were then concretised by other units and co-ordinated by the National Crisis Centre located in the Federal Public Service Interior (equivalent to the Ministry of the Interior).

Temporary structures provided for by crisis management plans, policies or laws on national security

- The Cellule Interministérielle de Crise in **France** was convened by the Prime Minister to co-ordinate the action of all the ministries pertinent to the crisis and was led by the Prime Minister's cabinet director. The French government has also made extensive use of specific "defence cabinet meetings", which help to bring in a core restricted set of Ministers and the highest level officials to take important decisions. France also adapted its Council for Defense and National Security to cover pandemic-related topics and later created a sub-Council on Health to manage the effects of the pandemic, articulate government responses to the health crisis and handle the required health measures.

Hybrid approach

- In the **United States**, the government convened the White House Coronavirus Task Force led by the vice-president to manage testing, protective equipment supplies and mitigation efforts while also mobilising the President's Management Council, co-ordinated by the Office of Management and Budget, with agency deputy secretaries as chief operating officers.
- In **Lithuania**, the government adapted the existing Emergency Situations Operations Centre, which was headed by the health Minister according to the Law on Civil Protection. As a result, it established an Emergency Situations Committee headed by the Prime Minister. The committee is mandated to help the government, the Emergency Situations Commission and the Head of Emergency Situation Operations Centre manage a state-level emergency.

Source: Adapted from OECD (2020^[3]).

Like many OECD countries, the Czech Republic took a hybrid approach. First the government activated the existing dedicated structure, and, due to the health-related nature of the crisis, changed the statutes of

the CCS in order to appoint the deputy Minister of health as chair, instead of the Minister of the interior (ČTK, 2020^[31]). After two weeks, the chair of the CCS was replaced by the Mol for the duration of the crisis. The current statutes again reflect that only the Mol or the MoD can chair the CCS in times of crisis.

In addition to the CCS, the Czech Republic also activated or created a number of thematic institutional bodies and informal groups that played important co-ordination and advisory roles during the crisis. To cope with the unprecedented complexity of the COVID-19 pandemic, most OECD countries – including the Czech Republic – created new co-ordination instances (77%) and increased the number of stakeholders in co-ordination meetings (73%) (OECD, 2021^[11]). As provided by the Crisis Act, five expert groups were created to provide expert advice and information to the CCS Secretariat on the following themes: 1) communication, which was abolished shortly after the crisis started and reactivated with the latest statutes; 2) material resource security; 3) co-ordinating with regions, which are mandatory regardless of the crisis; 4) IT support; and 5) legislative drafting and interpretation of extraordinary measures, which were based on the needs of the crisis. In addition, local crisis mechanisms were also activated at the regional and municipal levels (Parliament of the Czech Republic, 2000^[17]).

In the context of the COVID-19 pandemic, the government created another *ad hoc* advisory body: the Council for Health. This body, under the purview of the Office of the Government, was established by Government Resolution No. 813 in July 2020 to advise on the government's strategic approach in responding to the health risks of the COVID-19 pandemic (Government of the Czech Republic, 2020^[32]). The council was chaired by the Prime Minister and vice-chaired by the Ministers of the Interior and of health; other members included the Secretary of defence, the Commissioner for IT and digital, a representative of the Association of Regions and of health insurance companies, and an expert in the field of epidemiology (Government of the Czech Republic, 2020^[33]).

Importantly, the Council for Health was in charge of creating and supervising the Central Management Team, a working body focusing on the “Smart Quarantine” measures for the duration of the health emergency (Government of the Czech Republic, 2020^[34]). According to the Central Management Team's statutes, Smart Quarantine refers to the “gradual reduction of the area-based measures adopted by the government of the Czech Republic [...] and the adoption of adequate centrally managed measures [...] targeting areas of increased virus spread” (Government of the Czech Republic, 2020^[35]). The Central Management Team is chaired by the chief hygienist, and its members are two representatives of the Ministry of Health and two from the Army, among other non-permanent members from different ministries (Government of the Czech Republic, 2020^[34]).

Other *ad hoc* bodies were activated during the pandemic and usually focused on addressing specific aspects of the crisis. These included notably the Expert Working Group for Pandemics at the National Security Council, led by the Minister of Health; the Working Group for Impacts of COVID-19 into Psychic Health created by the Council of Government for Support of Mental Health; the Working Group of the Minister of Interior for Support during Emergencies, which aimed to provide information to the public and improve co-ordination across ministries; and the Commission for dealing with the incidence of serious infectious diseases, known as the Central Epidemiology Commission.

Other bodies also contributed to the responses to COVID-19, particularly the National Economic Council (NERV) on specific crisis-related economic measures. Founded in 2009 as an expert advisory body to seek solutions to the effects of the 2008 financial crisis, it was suspended in 2013 due to a government transition. Its activities resumed in May 2022 to propose economic measures, public investments and systemic reforms in response to the economic problems related to the COVID-19 pandemic, increasing energy prices and the effects of the Russian invasion of Ukraine. The National Economic Council has proposed to return to fiscal sustainability by reducing public expenditure and increasing tax revenues through a set of specific measures. The latest proposals include, among others, decreasing future expenditure on pensions, strengthening the efficiency of public administration, diminishing unemployment benefits, increasing the taxation of personal income or rising property taxes (NERV, 2022^[36]).

While some of these bodies have a wider remit than COVID-19, other agencies and institutes were created to provide strategic guidance on topics specific to the pandemic. In the Czech Republic, this was the case with the creation of the National Institute for Pandemic Management created by the MoH in early 2022. Headed by the chief epidemiologist, the institute's main objective was to issue expert recommendations and opinions for the Central Management Team and, thus, the MoH. There were also other expert groups headed by known experts in the field in the following areas: Analytical Group; COVID-19 Epidemiology and Prevention; COVID-19 Laboratory Diagnostics; and COVID-19 Treatment and Clinic (Ministry of Health of the Czech Republic, 2022^[37]).

The mandate overlap between the CCS and the Council for Health hindered effective decision-making

Although OECD evidence has shown that leadership and co-ordination from the centre are essential for crisis responses, countries have often struggled in this regard. The multiplication of mechanisms to manage, co-ordinate and provide advice to the government to respond to the COVID-19 crisis, while useful for gathering and sharing information and expertise as well as for taking policy decisions, also created several governance challenges, including on the internal co-ordination between those bodies and across levels of government. This created gaps and overlap and weakened policy coherence (OECD, 2020^[3]).

In the Czech Republic, the mandate overlap between the CCS and the Council for Health was a key challenge, as both shared the overarching aim of providing advice and recommendations to the government on the pandemic response. The CCS provided co-ordination across ministries and advice, but the Council for Health also provided advice. Although the CCS helped the government respond to the crisis, the creation of the council was intended to focus solely on health-related issues (pandemic or similar health-related risks) from a strategic point of view. In practice, however, the two bodies' competing advice to the government and its consequences for effective decision-making was one of the main challenges in the country's response to the pandemic. As such, the collaboration between predefined co-ordination and advisory bodies (CCS) and other *ad hoc* advisory bodies (e.g. the Council for Health) created issues and inconsistencies in supporting decision-making.

This challenge was raised by Czech line ministry responses to the OECD questionnaire prepared for this review, which revealed that the two main challenges for the government response to the pandemic were the lack of co-ordination to articulate policy responses across the government (63% of respondents) and the lack of unified narrative/communications across the government with the public (75% of respondents).² This was also confirmed by several stakeholders during the fact-finding mission, who noted that the parallel existence of both advisory bodies led to competing advice to the government, confusion for line ministries, as well as distrust from citizens who heard different narratives from the government. For instance, suggested measures that were not approved collectively by the CCS were sometimes submitted in parallel to the Council for Health by its members, creating parallel and conflicting decision-making channels and undermining the work of both bodies.

Recognising this challenge, the new government later abolished the Council for Health in December 2021 and its subsidiary body, the Central Management Team (Government of the Czech Republic, 2021^[38]). All crisis management authorities were incorporated into the structure of the CCS, which became the government's only working crisis management body.

To further improve co-ordination and advice to the government in times of crisis, the Security Policies Department of the Office of the Government has developed a new figure in the crisis management framework: the national security advisor. The creation of this position has already been approved by the National Security Council and the government resolution No. 1078 (21 December 2022). This new figure has been appointed by the resolution No. 1103 (21 December 2022), and is embedded within the Office of the Government, holds the position of secretary of the National Security Council and is appointed and dismissed by the government at the proposal of the Prime Minister. The national security advisor is

accountable for the co-ordination of the security and defence policies; providing support to the Prime Minister and the government on national security and cross-cutting issues, such as economic security or hybrid threats; and representing the country in international fora on related issues.

This new figure could also support the co-ordination with the National Security Council, the CCS and the government in times of crisis by being a permanent staff of the CCS. As the link between the CCS and the Cabinet, formally secured by the chair of the CCS who was both a member of the National Security Council and the Cabinet, did not prevent co-ordination issues during the COVID-19 crisis, this set-up aims to ensure that the government effectively considers the CCS' advice. As such, to avoid co-ordination issues in the management of crises, the national security advisor could represent a single point of contact, or co-ordinator within the government, that is also embedded within the CCS framework and endorses the proposals from the crisis unit. To face the COVID-19 crisis, a set of countries followed a similar approach appointing crisis management co-ordinators within the centre of government (Box 7.2).

Box 7.2. Examples of co-ordinators within the centre of government for crisis responses in COVID-19 times

In **Italy**, the head of the Department of Civil Protection, within the Prime Minister's Office, was designated as special commissioner for the COVID-19 emergency on 31 January 2020, later renamed extraordinary commissioner for the implementation of health measures to contain the COVID-19 pandemic. His initial role was to co-ordinate the various administrations involved and manage the funds allocated by the Council of Ministers for the emergency and was later extended to leading the vaccination campaign. A similar organisation had already been implemented for the SARS pandemic in 2003. This temporary role was abolished in March 2022 after the roll-out of the vaccination campaign.

Similarly, in **Argentina**, Article 1 of Decree 287/2020 designated the chief of the Cabinet of Ministers to co-ordinate different public sector jurisdictions and organisations to implement the measures and policies recommended by the national health authority to face the COVID-19 emergency. To that end, the chief of the Cabinet acted as co-ordinator of the General Co-ordination Unit of the Comprehensive Plan for the Prevention of Public Health Events of International Importance. The health emergency was set to last until 31 December 2022. As of December 2022, the chief of the Cabinet of Ministers was still co-ordinating the response across different jurisdictions and organisations of the public sector (Government of Argentina, 2022^[39]; 2021^[40]).

In **Latvia**, the Law on National Security sets out the conditions for convening the key operational level co-ordinating body during a state of emergency, in this case the Crisis Management Council chaired by the Prime Minister. Following the state of emergency, the director of the State Chancellery was appointed the head of the Inter-institutional Co-ordination Management Group set up on 10 July 2020 by the Prime Minister to articulate the government's response to COVID-19. This was a temporary, time-bound structure provided for in national security laws.

Source: OECD (2020^[3]).

The CCS has been mobilised for a second crisis due to the war in Ukraine and the government is working on reforming its structures and rules of procedures with the crisis legislation reform. The war, considered a refugee crisis in the Czech Republic, implied for a short period of time the need to tackle multiple crises at the same time for the CCS. However, the overlapping times were *de facto* limited, with two meetings per week, one relative to the COVID-19 crisis and the other regarding the war of aggression against Ukraine. While the Ministry of Defence could have taken back the lead considering the war context and the uncertainties of the situation, the management and secretariat of the CCS have remained under the MoI. As pointed out by stakeholders during the interviews with the OECD, the CCS has been activated for

almost two years, which challenges its capacity to operate in an *ad hoc* mode and might call for more stable resources.

While several policy measures were put in place to cope with the pandemic, the lack of government preparedness limited their impact

In many OECD countries, crisis preparedness proved to be lacking when navigating the unexpected. In 2018, the OECD had found that two-thirds of OECD countries conducted horizon-scanning exercises to forecast the environment in which future risks and threats could occur (OECD, 2018^[21]). Yet, a 2022 OECD report analysing the lessons from government evaluations of COVID-19 responses found that “pandemic preparedness was generally insufficient, particularly in light of the major human and financial costs associated with global health crises similar to the COVID-19 pandemic” (OECD, 2022^[41]).

This was also the case in the Czech Republic. The existing epidemic, pandemic and crisis plans had limited effects on the effectiveness of the government’s response to the COVID-19 crisis. The National Pandemic Plan was deemed incompatible with the nature of the COVID-19 crisis as it had been created to manage a pandemic caused by a new variant of the influenza virus, according to the MoH. The MoH reported that it followed the Model Action Plan for Epidemics. The MoH had already communicated about this plan with the regions in March 2019 and was assured that all the regions had developed it. The Model Action Plan for Epidemics was also updated by the MoH three times during the crisis. These plans remain by nature generic documents intended to serve as a baseline for the government response to emergencies and need to be adapted at all levels of government before and during times of crisis. Most stakeholders from the central level the OECD met with during the fact-finding mission noted that the different plans did not respond to the needs of the moment and were not used in practice in the context of COVID-19. Despite the existing frameworks, the lack of preparedness for this specific crisis (crisis management plans, structure and protocols) was highlighted as one of the key challenges by more than a third of line ministries in a survey carried out by the OECD in the context of this project.³

It is worth noting that the government took a series of policy measures and initiatives that helped assess and mitigate the multiple effects of the crisis. Many of these measures were driven by digital innovation and collaboration with the private sector and citizens. At the same time, many IT systems and solutions in place before the crisis were not ready and prepared to help manage, gather and collect data and information across the administration and with citizens. An example is the Smart Quarantine project, which was first launched in late March 2020 as a contact tracing application for regional hygiene stations to prevent COVID-19 among citizens. It was developed between the government, national ICT companies and citizens (Government of the Czech Republic, 2022^[13]). The government then launched the 2.0 project, with a new Emergency Operations Centre Department placed in the MoH reporting directly to the chief hygienist to analyse threats that have a potential impact on public health and propose solutions (Ministry of Health of the Czech Republic, 2020^[42]).

Other digital-led innovation measures as part of the Smart Quarantine project include the digital COVID certificate “Tečka”, which enables loading, managing and presenting digital COVID certificates on mobile devices (Ministry of Health of the Czech Republic, n.d.^[43]), and eMask “eRouška”, with more than 1.7 million downloads, a contact tracing app that informed people if they had been in contact with an infected person (eRouška, n.d.^[44]). These and other measures are presented in an easy-access guide using simple language on the Portal for Smart Quarantine Tools and Citizen Vaccination (Ministry of Health of the Czech Republic, n.d.^[45]). While these measures helped the government mitigate some of the health and social effects of the crisis, in practice, the lack of preparation for ICT support resulted in improvisation and inadequate management of these tools. Many of these measures, for example, arrived late in the pandemic, encountered technical problems or were not communicated enough with all members of society, which limited their potential impact.

Legal crisis frameworks and emergency regulations for evidence-based policy making

Evidence-based policymaking during a crisis

During a crisis, it is to be somewhat expected that the “usual rules” do not apply. The simple reality is that decisions need to be taken quickly to prevent the situation from deteriorating. That said, decisions taken during crises should not be devoid of evidence-based policymaking principles. There are two main reasons for this. First, quickly incorporating any available information into expedited decision-making processes can help reduce the risk of regulatory failure. Second, the magnitude of the impacts emanating from crises tends to be highly significant and far reaching, so monitoring and evaluation are essential to ensure that emergency regulations work as they are intended.

Designing crisis regulations

Nearly half of all OECD countries, including the Czech Republic, have exceptions to conducting regulatory impact assessments (RIAs) (see Chapter 3) where regulations are introduced in response to an emergency (OECD, 2021^[46]). Nevertheless, the COVID-19 pandemic highlighted some operational flexibilities across countries’ regulation-making processes to help ensure that decisions were informed by evidence wherever possible (Box 7.3).

Box 7.3. Examples of flexibility in evidence-based decision-making for crisis proposals

Canada adjusted its regulatory impact assessment (RIA) requirements for COVID-related proposals. Proposals could be developed using adjusted analytical requirements, including cost-benefit analysis and the small business lens analysis. These could be based on qualitative and quantitative data, but the requirement to monetise impacts was relaxed. In addition, proposals could be recommended for exclusion from the one-for-one rule. The **United Kingdom** provided a summary of impacts document in support of its initial response to the COVID-19 pandemic. **Finland** reported that open consultation was often conducted before introducing COVID-19 response measures, but that a shorter time frame for such stakeholder engagement applied. Several OECD countries used similar built-in exemption mechanisms, including **Korea, Luxembourg, New Zealand** and **Switzerland**.

Source: OECD (2021^[46]).

OECD research undertaken during the COVID-19 pandemic indicated two key challenges that made achieving the above objectives difficult. The first was the lack of detailed and reliable information on the spread of the virus. The second was tracking the effectiveness of containment measures to slow the spread of the disease and decrease the enormous strain on healthcare systems (OECD, 2020^[47]).

A related challenge to the information deficit faced during a crisis is clearly communicating the available and reliable evidence. Providing transparent, timely and effective information is a critical means of ensuring that administrations retain sufficient credibility and trust in the eyes of the public. Research has suggested that distortion of information, particularly if seen as deliberate, is a sure way to squander it (OECD, 2020^[48]).

Managing the public discourse of information may be more difficult in countries with pre-existing levels of low trust in the effectiveness of the state. Lower levels of trust will accordingly make it more challenging to obtain voluntary compliance from citizens, whether these relate to lockdown measures or surveillance/tracking apps. In addition, the pandemic has been coupled with an “infodemic”, with rising levels of misinformation (and disinformation) relating to the pandemic, requiring governments to act swiftly.

The communication difficulties are likely to be compounded where citizens perceive that there were errors made in the early handling of the COVID-19 pandemic (OECD, 2020^[48]).

The Czech Republic passed the Pandemic Act along with a number of measures and regulations through extraordinary procedures

The Parliament of the Czech Republic promulgated the Pandemic Act on 26 February 2021. It gave wide-reaching powers to the Ministry of Health to put in place so-called “extraordinary measures” for facing COVID-19 or the risk of its recurrence. The Pandemic Act defined 13 broad categories of extraordinary measures ranging from restricting public transport and ordering the use of protective equipment to testing employees and other workers to detect the presence of COVID-19.

The Pandemic Act covered a range of other provisions, including:

- co-ordination between the Ministry of Health and various health service providers
- co-operation with the crisis management authorities
- fines for corporate and natural persons for non-compliance with extraordinary measures
- permitting judicial review of extraordinary measures
- potential liquidated damages claims.

Extraordinary measures introduced needed to have regard to the current epidemiological analysis, the current COVID-19 situation and the specific rate of risk associated with the defined activities. The provision should ensure that any extraordinary measures were based on the available information and analysis, consistent with the general principles outlined above.

The Ministry of Health established a series of advisory bodies to comply with the requirements. The bodies comprised a clinical group consisting of various medical experts; a Central Management Team made up of IT specialists, statisticians and co-operating ministries responsible for preparing draft measures; as well as a series of expert groups for testing, vaccination, intensive care and patient transport as outlined in responses to the OECD project questionnaire.

The Ministry of Education, Youth and Sport noted close co-operation with expert stakeholders such as universities, the Czech Academy of Sciences and epidemiologists. The stakeholders provided data and analysis and were directly involved in preparing draft measures.

The information and analysis needed to be made public on the Ministry of Health’s website and, in addition to the factors above, included an overview of the degree of threat to the population, statistical data on the management of the pandemic (including vaccination rates), as well as general information on the extraordinary measures introduced. Several ministries reported that decision-making was nevertheless hampered by data fragmentation, as well as the availability, timeliness, reliability, scope and robustness of data, and that its use in practice could have been improved according to feedback shared by line ministries in the OECD questionnaires. Ministries also expressed in the questionnaire difficulty to “cut through” with their communication messages due to both misinformation and disinformation.

All extraordinary measures created were required to be reviewed by the Ministry of Health (or the Regional Hygiene Station, as applicable) at least once every two weeks from their issuance. The Pandemic Act required that the review consider the grounds for the original issuance, effectively ensuring that the review considers the current evidence base to establish whether retaining the extraordinary measure was still justified. The government was required to submit a report to the Chamber of Deputies on the measures taken, including information on the review of measures, at least once every two weeks.

The extraordinary measures issued by the Ministry of Health usually did not go through the standard legislation-making process. Most of these measures were not submitted for government approval through the electronic system eKlep (see Chapter 2), which meant that other ministries did not have the opportunity

to comment on them. According to a local source, many of these drafts were changed until the very last moment before their approval (Dobiášová, 2021^[49]). While according to the Pandemic Act, the Ministry of Health was obliged to consult all other ministries (which, according to the procedural rules should be done through eKlep) and obtain the approval of the government, these consultations only formally took place at individual government sessions.

A Regulatory Impact Assessment usually did not accompany the process of drafting extraordinary legislative measures. In addition, control over the legal quality of such measures was very limited and the standard procedure of checking accordance with other legislation by the Legislative Council of the Government (see Chapter 2) was skipped. This resulted in many of these measures later being overturned by the Supreme Administrative Court due to insufficient legislative quality as well as conflicts with other legislation (Zrást, 2021^[50]). Another argument used often by the Supreme Administrative Court against the MoH's extraordinary measures was that the explanatory memorandum providing justification of these measures and impact assessment were insufficient and mostly missing. It was, therefore, unclear on which data, analyses or documents the ministry was basing its decision. The Pandemic Act nonetheless requires a thorough justification in case of extraordinary measures. In that regard, the expert working group on legislation of the CCS could help ensure that extraordinary measures in crisis times still comply with requirements and do not conflict with other laws to mitigate the risk of measures being overturned by the Supreme Administrative Court.

While at least some of the advisory bodies mentioned above were consulted for many of the extraordinary measures, there was usually no time for broader consultations with the general public. While this is understandable due to the need to act quickly, combined with the often lacking justification of these measures in the explanatory memoranda, this might be one of the reasons why the public usually reacted negatively to these new measures with a limited willingness to comply. Such justifications should be the primary source of information for the regulated subjects as well as for the media on the reasoning behind limiting their rights. Indeed, the MoH noted in its responses to the OECD questionnaire that a major challenge was citizens' reluctance to adhere to preventive barrier measures in the long term and the lack of confidence in the newly created vaccines. This might be partially caused by poor communication on the reasons behind these measures and their potential benefits in fighting the pandemic, which might have taken place as part of a partial impact assessment, had this been carried out. The Pandemic Act contained a 12-month sunset clause, which ensured that the operative provisions relating to the issuance of extraordinary measures ceased to exist, consistent with general best practice (OECD, 2020^[51]). However, it should be noted that not all OECD countries included such clauses in their COVID-related laws (OECD, 2021^[46]).

Monitoring, reviewing and evaluating crisis regulations and responses

Monitoring and evaluation are both central tenets of the regulatory policy cycle (OECD, 2012^[52]). Monitoring is crucial in ensuring that governments correctly implement regulations and deliver the intended outcomes. Evaluations provide an opportunity to establish whether regulations remain fit for purpose, noting that both external and internal factors can change over time and dramatically affect the efficiency of the regulations (OECD, 2020^[51]).

Several OECD governments undertook evaluations of their COVID-19 measures despite the reprioritisation of various activities. In part, this reflects the reality that decisions were taken in haste without a strong evidentiary basis. It also reflects the fact that the magnitude of impacts of many COVID-19 measures was far reaching, so it was important for governments to establish both whether results were as originally intended and to ascertain whether there were unintended consequences.

The OECD collated governments' evaluation experiences of various measures during the first 15 months of the pandemic. Its research focused on three key areas of the risk management cycle: 1) preparedness;

2) crisis management; and 3) response and recovery. The overall assessment of the evaluations undertaken was that:

- Pandemic preparedness was generally insufficient, particularly in light of the major human and financial costs associated with global health crises similar to the COVID-19 pandemic.
- Governments took swift and massive action to mitigate the economic and financial effects of the pandemic but should carefully monitor the longer term budgetary costs of these measures.
- Trust requires transparency, not only through frequent and targeted crisis communication but, more importantly, by engaging stakeholders and the public in risk-related decision-making (OECD, 2022^[41]).

While many business assistance schemes were rapidly implemented and timely overall, their efficiency and relevance were more limited. Evaluations stressed that governments had to adapt the objectives and modalities of these schemes often to account for changes in restriction measures or to respond to initial design failures and better target those in need. As a result, some evaluations mention that these changes blurred messages about businesses' eligibility and therefore diminished the effectiveness of the measures (OECD, 2022^[41]).

Analytical capabilities appeared to have been lacking in the Czech Republic, especially in the CoG, to prepare policies and regulations based on evidence and data in immediate response to the COVID-19 crisis, particularly on scientific evidence, the analysis of development trends of the pandemic, and impact assessments of potential measures and regulations. These analytical capabilities are particularly critical in times of crisis to inform and support the preparations of fast-paced government responses based on the "best available" evidence. This lack of capacities in times of crisis echoes a wider gap in evidence-based policymaking in the Czech Republic that can also be observed in normal times and calls for strengthening analytical capacities in the Office of the Government and the line ministries to support the provision and analysis of information in strategy and policymaking as well as sharing them across the government (see Chapter 3).

Conducting evaluations for risk management policies and post-disaster is crucial to incorporate lessons learnt into crisis preparedness and resilience planning and improve the design and implementation of public policies. Twenty-one OECD countries declared that their government used the results of post-disaster evaluations to revise their risk management policies (OECD, 2018^[2]). During the COVID-19 pandemic, most OECD countries (11/18) responding to a survey conducted at least one evaluation on each of the key stages of the risk management cycle (OECD, 2022^[41]).

In the Czech Republic, as per the Crisis Act, the CCS is tasked with evaluating government actions during a crisis (Parliament of the Czech Republic, 2000^[17]). To revise its risk management policies, the country conducted several evaluations regarding the government's crisis response. At the end of 2021, the MoI conducted its own assessment of relevant bodies involved in the crisis response, including the Fire and Rescue Service and the Security Policies Department. Similarly, evaluations were performed by the MoI with the purpose of preparing a new crisis management legislation that should be presented to the government by the end of 2023. These evaluations were reportedly carried out with the involvement of the CCS, but their results were not published nor approved by the government and remained internal documents, thus failing to share and provide a whole-of-government perspective.

The Supreme Audit Office also conducted a series of economic evaluations focusing on the government's crisis response. It included, for instance, the effectiveness of the funds spent on information support for anti-epidemic activities (SAO, 2022^[53]). However, no national, formal whole-of-government evaluation of the government's entire crisis management system has been released at this stage to provide a shared assessment of the practices and gaps observed during the COVID-19 crisis management. No independent evaluation has been released either, as was done by Sweden, which created the independent Corona

Commission (Box 7.4). This does not support an effective, transparent, shared whole-of-government dialogue on revising governance structures and protocols.

Box 7.4. The Corona Commission of Sweden

In June 2020, the Swedish government appointed a dedicated, independent commission to evaluate the actions of the government, administrative agencies, regions and municipalities in response to the COVID-19 pandemic. Named the “Corona Commission”, it submitted a final report in February 2022 which concluded that, although Sweden came through the pandemic relatively well, the government’s response to the pandemic was slow and lacked leadership, pointing to failings in the role played by different agencies, and in the overall co-ordination and communications. The report also highlighted the need for better disease prevention and control measures that are rooted in evidence and data, rather than advice, recommendations and voluntary measures. Ultimately, the commission’s evaluation provided the Swedish government with valuable insights into what aspects of its crisis management structure need to be reformed. The report was also made publicly available.

Source: Sweden’s Corona Commission (2022^[54]).

Implementation challenges of the crisis management framework

The practical implementation of these legal, institutional and policy crisis frameworks during the COVID-19 pandemic faced a series of challenges. This section relates these challenges to the topics covered in the different chapters of this review. Crises can be opportunities for transformation and reform to strengthen the crisis structure to build back better and increase resilience to future shocks. Governance and co-ordination mechanisms are at the core of these efforts.

Information and data collection and analysis during the crisis was a transversal challenge for the CoG and line ministries, impeding agile and informed decision-making

A key element to facilitate inter-ministerial co-ordination and evidence-based decision-making during a crisis is efficient information, data collection and analysis. Lessons from the COVID-19 pandemic proved that information and data can save lives, but for that to happen, safeguards, tools and mechanisms must be put in place to ensure that information continues to be available. In the Czech Republic, information and data were a central challenge for the public administration during the crisis. In fact, 50% of line ministries responding to the OECD survey pointed to difficulties in collecting information and evidence (health, scientific, other) to support emergency decisions as one of the main challenges of the pandemic response.⁴ The OECD report *Evaluation of Luxembourg’s COVID-19 response* underlined that Luxembourg exhibited strong inter-ministerial co-ordination, co-operation with local actors and public communication in its management of the crisis (OECD, 2022^[4]). The OECD recommends strengthening the provision of evidence and scientific advice to the government and line ministries. On the other hand, in the Czech Republic, stakeholders mentioned during the fact-finding mission a lack of information in the early stages of the pandemic. Although the government managed to produce a number of systems to centralise information and portals to publish it, external stakeholders reported difficulties using and analysing information and data. Civil society organisations and experts interviewed by the OECD pointed to a lack of usefulness and to the delayed publication of health data on the government portal regarding the pandemic, which slowed down the proper assessment of the situation.

In this context, the MoH managed to develop an information system portal with live information and data related to the pandemic (i.e. availability of intensive care beds, ventilators, beds, medical staff, etc.). To do so, a specialised group, the Office for Medical Information and Statistics, created a dashboard and coordinated with subnational governments that had most of the information and data. After three months, the system was in place and information was updated daily with visuals and infographics (Ministry of Health, n.d.^[25]). The aim is that the portal will also serve other emergencies. Although data are also available in an open format, stakeholders during the fact-finding mission mentioned that navigating and using it was challenging. Another challenge was the mistrust of the data from citizens and the media. More importantly, an evaluation from the Supreme Audit Office found that the MoH “did not prepare information support for dealing with epidemic situations [...], did not define the needs for ICT development in the healthcare sector [...] and did not monitor and evaluate the effectiveness and economy of spending” (SAO, 2022^[53]).

Despite this system, the challenge of information and data collection and analysis was key and remained an issue throughout the crisis for two main reasons. Interlocutors pointed out a lack of culture and system of information sharing across ministries. Although the existing crisis management information systems provide a baseline for sharing and standardising information, stakeholders during the fact-finding mission mentioned that this is not followed in practice. Information and data collection within the government too often remains informal and decentralised in each ministry and in subnational governments, even more so during a crisis. In practice, ministries and other public institutions tend to work independently, building their own data and statistics and using different sources of information. The second challenge was more technical in nature. Once the government made efforts to collect information and data during the crisis, it faced technical difficulties centralising and standardising information to facilitate its analysis for informed decision-making. Different formats and a lack of data comparability (in terms of scale, time frame and geographical scope) on COVID-19 were reported by stakeholders the OECD met with and made the analysis more challenging for ministries and civil society (Munich, 2020^[55]). The lack of a platform for sharing data across ministries raises additional concerns about the interoperability of the information across the crisis system. For instance, Luxembourg developed a fast monitoring system for infectious diseases, named Qlik, which helped information gathering, monitoring and sharing to support more acute policy responses. However, the system was incompatible with other information systems in Luxembourg (OECD, 2022^[4]).

There is thus an opportunity to strengthen the existing crisis management information systems and, in parallel, build technical capacities for public officials and set standards that facilitate the interoperability of information and data across the crisis system. To improve the decision-making process in times of crisis, within the new crisis legislation, the General Directorate of the Fire and Rescue Service is working on developing a new crisis management information system to centralise, gather data and enhance evidence-based decision-making. In addition, the Czech Republic could follow the example of Mexico City, which developed in a collaborative way a protocol to ensure information is available in times of crisis to improve transparency (Box 7.5).

Box 7.5. The Mexico City Protocol to Access Information in Times of Crisis

Following an earthquake in 2019 and the COVID-19 pandemic in 2020, the government of Mexico City decided to create a protocol to access information and increase transparency in times of crisis. In sum, it outlines the minimum actions for transparency in emergency situations, by bodies subject to the access to information law, oversight bodies, and people and communities in each stage of a risk situation: prevention, reaction and recovery. These actions can include digitalising documents, identifying which information should be published and disseminated during the emergency, and how to monitor and evaluate emergency access to information actions.

To create the protocol, the government conducted an open and participative process.

- First, it carried out six co-creation tables with multiple stakeholders to co-design a preliminary draft of ideas, proposals and definitions to be included in the protocol.
- Second, in collaboration with the National Centre of Disaster Prevention and external specialists on risk management, the content for the protocol was elaborated. For this stage, three co-creation tables with multiple stakeholders were encouraged to revise the content in a collaborative way and agree on a final document.
- Third, once the protocol was launched, a toolkit was co-elaborated with stakeholders to help different actors implement it.

The protocol is written in plain language and reflects the different needs of all sectors of society. It is also adaptable to any crisis context and provides recommendations to avoid circulating fake news during a crisis.

Sources: INAI (2020^[56]); INFOCDMX (2021^[57]).

Lack of a coherent communication strategy coupled with the spread of misinformation and disinformation impacted the uptake and trust of government decisions during the crisis

Crisis communications proved to be instrumental in disseminating and supporting information on the implementation of health measures and recovery policies. In large-scale crises such as the COVID-19 pandemic, clear communication and transparency in decision-making have a direct impact on citizens' trust in government (OECD, 2018^[2]). In this regard, OECD evidence showed that CoGs helped ensure the coherence of government messages both internally and *vis-à-vis* the public and civil society, reaching specific segments of the population and facilitating dialogue with citizens to develop policies and services adapted to their needs and expectations. However, 58% of CoGs identified crisis communication as the most relevant communication challenge (OECD, 2021^[58]).

Moreover, the lack of a coherent communication strategy also fuelled the spread of misinformation and disinformation. Disinformation, in particular, defined as false information knowingly shared to cause harm, was a key challenge for OECD countries, affecting governments' responses by undermining trust, amplifying fears and, at times, leading to harmful behaviour (OECD, 2020^[59]). Ultimately, co-ordinated multi-stakeholder efforts are needed to tackle disinformation during a crisis, with clear public leadership. In that context, strategic and transparent communication should be among the first lines of action for public institutions at all levels (OECD, 2020^[59]). As found by the OECD, "guaranteeing openness in decision-making by ensuring that public communication is regular, transparent, compelling and based on audience insights is fundamental as governments work on catching citizens' attention in a crowded media ecosystem" (OECD, 2022^[41]).

Yet, the lack of unified narrative and communication across the government with the public in the Czech Republic was the most relevant challenge during the COVID-19 pandemic, according to line ministries responding to the OECD survey (75% of respondents).⁵ A variety of stakeholders from the public sector and civil society confirmed this finding during the fact-finding mission, pointing to a general lack of co-ordination to centralise information and messages for the public. This was a challenge first for internal communication and reporting processes, which, as mentioned above on information and data, hindered effective cross-government co-operation.

In the Czech Republic, the CoG had a permanent crisis communication team to fight disinformation. Although the CCS had an expert group for crisis communication, it was cancelled for a certain period before being re-established. The overlap of mandates across bodies, for instance between the CCS and the Council for Health, resulted in conflicting messages to the public regarding the government's capacity for crisis management. Although individual efforts were made by ministries, with sector-level plans for crisis communications, this only resulted in more confusion and distrust from citizens.

Taking the lessons from the COVID-19 pandemic, the Czech Republic is currently building a crisis communication strategy with specific protocols and standards for all public bodies in the case of a crisis to create a clear framework for strategic crisis communication. The country could streamline its crisis communication framework also building on the communication strategy employed in the ongoing refugee crisis. To ensure the coherence of government messages both internally and with citizens, the MoI is implementing and producing centralised materials to share with line ministries. This helps ensure that all ministries use the same materials and videos relative to the refugee crisis *vis-à-vis* the public. To achieve this in a co-ordinated and effective manner, a system of contact points in ministries allows disseminating prepared materials through a network of communicators within the government. Although a wide variety of crisis communication frameworks exist, Costa Rica's communication decision tree and Switzerland's diversification of communication channels provide additional useful examples in this regard (Box 7.6).

In the case of Luxembourg, communication was quick and relied on a wide variety of channels from the written press, social networks, radio and television to print and signage. Strong leadership in communications and messaging was shown with the government spokesperson endorsed by the Prime Minister and the Minister of health (OECD, 2022^[4]).

Box 7.6. Communicating during a crisis: Examples from Costa Rica and Switzerland

Costa Rica's crisis communication decision tree

Costa Rica's crisis communication decision tree represents a systematic approach to disseminating messages to the population by elaborating structures and protocols to be adapted based on the nature of the crisis. Its purpose is to create a unified process and regroup management and communication resources so that the Ministry of Communication can quickly and effectively respond to relevant adverse events or major media crises that alter the government's functioning and image. The tree is constructed as follows:

1. Initial response

The initial response depends on the type of crisis. Crises are divided into two types:

- Disaster or emergency, political, financial and environmental crises: The initial response is to activate the Crisis Committee.
- Legal, personal and sexual crises: The initial response is to conduct an office meeting between the Minister and the director of communication. Following the meeting, the Crisis Committee is activated.

2. Elaborating a plan

The second step is to elaborate a crisis communication plan, by defining messaging, formats, communication products and a designated team.

3. Actions

The third and final component involves specific communication actions:

- informing the co-ordinators
- designing the team that will take the lead in managing the crisis and distributing tasks
- creating a team communication channel (e.g. WhatsApp group)
- executing previously set products and formats
- monitoring crisis communication actions.

Diversifying communication channels during a crisis in Switzerland

The Swiss government used various external communication channels to inform its citizens about the situation and infection control measures. In addition to frequent press conferences by the Federal Council and experts, the federal administration used poster campaigns, web pages, social media and the “ALERTSWISS” app to disseminate information. For example, during the highest alert level, the Federal Council gave three press conferences per week, complemented by press briefings with specialists every other week.

The evaluation by the Swiss Federal Chancellery concludes that using a variety of communication channels allowed the government to reach a large portion of the population and was particularly effective.

Sources: OECD (2021^[58]); adapted from inputs shared by the government of Costa Rica to the OECD 2020 Survey “Understanding Public Communication”; the Crisis Communication Plan, Ministry of Communication, October 2019 (OECD, 2022^[41]); and Swiss Federal Chancellery (2020^[60]).

The lack of institutionalised procedures for citizen and stakeholder engagement in decision-making processes in COVID-19 responses hindered buy-in

A whole-of-society effort is critical to cope with the crisis’s long-term health, economic and social consequences. Co-ordination across government, policy areas, and levels of government and with civil society is thus essential to the response and the recovery efforts (OECD, 2020^[3]). In fact, an analysis from OECD evaluations showed the importance of engaging stakeholders and the public in risk-related decision-making (OECD, 2022^[41]). Data from the OECD show that most member countries conducted consultations with stakeholders for designing strategies for the response to the COVID-19 crisis (20 countries), for the recovery period (18 countries) and for campaigns to inform stakeholders about the design of these strategies (19 countries) (OECD, 2021^[1]).

This was not the case in the Czech Republic, which did not develop any stakeholder participation process in the COVID-19 response and recovery phase (OECD, 2021^[1]). As found in Chapters 1 and 2, the Czech government has a number of advisory and working bodies (PPOVs, for the Czech acronym, hereinafter “consultative bodies”), some of which aim to engage citizens and specific groups in policy advice, particularly the councils under the Office of the Government’s Department for Human Rights and Protection of Minorities. Evidence collected for this review suggests that the functioning of the consultative bodies depends very much on the political will of the administration that is in power and on the profile of their members. Moreover, no consultative body is dedicated to crisis management. The CCS expert groups include external stakeholders; these only relate to experts in certain thematic areas. Their involvement is

indeed crucial as it helps increase reliance on scientific and technical expertise in decision-making to mobilise evidence to inform policy responses related to the pandemic and its aftermath (OECD, 2020^[3]).

However, there is also a need to involve citizens and civil society organisations in the response and recovery strategies to increase buy-in and trust, which are essential for implementing emergency and recovery measures in crisis contexts. For example, the use of national dialogues in Finland allowed individuals to give feedback, voice concerns and ask questions directly to high-ranking public officials, in turn providing the central government with a better understanding of stakeholders' expectations for the crisis (Box 7.7).

Box 7.7. Finland's national dialogues

In March 2020, in response to COVID-19, the Finnish Ministry of Finance, the civil society organisation Dialogue Academy and the Timeout Foundation joined forces to launch the Finnish national dialogues. They aimed to engage with and listen to citizens on how they were handling the crisis and to understand their needs. The initiative also aimed to include a range of actors in organising these dialogues. Over 80 organisations and actors came together, including civil society organisations, municipalities, government offices, foundations and individuals.

Between April and June 2020, 162 dialogues took place, with over 1 100 participants actively contributing to the discussions. Ultimately, the goal of the discussions was to increase the mutual understanding of the different participants. Particular attention was given to ensuring the inclusion of minorities and vulnerable groups, whose voices might not be as prominent as other demographics. Through this partnership, the government was able to reach a wide range of groups, including prisoners, sex workers, relatives of mental health patients, teachers, social workers, children, the elderly and pensioners. The dialogues were all documented and used to build a comprehensive overview, which was published on the Ministry of Finance's website.

Sources: OECD (2021^[58]); https://avoinhallinto.fi/assets/files/2020/11/Policy_Brief_1_2020.pdf.

Digitalisation of public services improved greatly during the crisis, but further efforts are needed to ensure digital inclusion while continuing to simplify and digitalise administrative procedures

The COVID-19 crisis has accelerated the digital transition of governments as they needed to continue delivering seamless services to citizens and sharing information and data, including under lockdown and containment measures. While the pandemic has accelerated online activity, the scope and speed of the ongoing digital transformation have varied greatly across segments of the population, some of which have yet to fully reap its benefits. Among the inequalities exposed by the COVID-19 pandemic, the digital divide has emerged as a key factor threatening the effective, responsive and accessible delivery of public services in OECD countries.

In the Czech Republic as well, the crisis has supported the digitalisation of the government and of public services. This trend supports the digitalisation efforts carried out in the administration as part of the PAR. According to Eurostat, the percentage of the total population using online public services increased from 54% in 2019 to 68% in 2021, which is higher than the EU average of 58% (Eurostat, 2022^[61]). Other tools developed or adapted during the COVID-19 pandemic include the citizen portal, as well as the digitalisation of thematic policy sectors, such as in social services, health and education. This also reflected the new government's priorities to place the digital transformation at the core of the public administration reform and to appoint a Deputy Prime Minister for digitalisation in the Office of the Government to steer the

digitalisation agenda. Moreover, the European Union's Digital Economy and Society Index (DESI) assessment of the Czech Republic also identifies that, although basic digital skills are higher than the EU average (60% compared to 54%), there is scope for improvement (DESI, 2022^[62]).

Yet, despite this progress, according to findings from OECD interviews, the digital divide that persists continues to present barriers for different groups to access online public services. Both government and civil society stakeholders underlined that the digital divide is exacerbating inequalities in terms of age, income and geographic location. Further efforts are thus needed to ensure digital inclusion for all segments of society while continuing the simplification and digitalisation of administrative procedures.

Lack of staff capacity from the public administration affected the government's crisis response

The COVID-19 pandemic accelerated the transformation of public services and civil servants' activities and their ability to deliver services digitally and interact with citizens. The widespread use of new digital tools, greater flexibility in using remote and hybrid working, and increased staff mobility were features of many administrations in the Czech Republic, as in all other OECD countries. During the first wave of the COVID-19 pandemic in the first quarter of 2020, 19 out of 25 (76%) OECD countries saw over half of their civil servants working remotely, and most expected increased remote working in the years to come. This figure was higher in the Czech Republic, with 70% of civil servants working remotely (OECD, 2021^[1]).

While the public administration managed to adapt fast, several stakeholders recognised the lack of staff capacity, both human and financial, from the public administration as a relevant challenge that impeded the government's response during the pandemic. In line with the findings from Chapter 6, as part of the efforts to strengthen recruitment and career development policies, there is an opportunity to improve the skills and competencies that public officials need to adequately face crisis situations. Future policies and procedures surrounding remote working might also need to be redesigned to ensure the smooth functioning of the administration while maintaining the achievements of the teleworking policies during the crisis.

Recommendations

Based on the lessons learnt during the pandemic as well as the crisis related to the influx of refugees from Ukraine, the MoI updated the CCS' statutes in 2022 and is preparing a revision of the crisis legislation. The proposal should be presented to the Czech government by the end of 2023, then will be submitted to parliament, and is expected to enter into force in 2025. The following recommendations provide an evidence base for reforming the crisis legislation to strengthen co-ordination and regulatory mechanisms for more efficient crisis management.

- Reinforce the institutional and policy frameworks for crisis co-ordination:
 - Ensure wide consultation of all government and external stakeholders in updating the national crisis plan and framework as is currently done by the MoI to ensure faster and more robust responses to future crises, health or non-health related, and involve the new national security advisor for guidance and support; evaluate the use of the Model Action Plan for Epidemics during COVID-19 by consulting all regions and stakeholders involved in preparing them since 2019 and those that used them during the COVID-19 crisis and by adapting them to increase their use in the case of future pandemic (MoH).
 - Within the national crisis plan, ensure a better articulation of the roles, mandates and responsibilities of relevant actors during a crisis, such as line ministries and other central administrative authorities, including the Czech National Bank and territorial self-governing units. This includes a wide range of roles in co-ordinating government measures, advising on

specific topics related to the nature of the crisis, implementation responsibilities, communicating, and collecting and sharing data. The articulation could be supervised through the CCS to ensure a co-ordinated approach, which could also help actors at all levels and in all sectors exchange good practices on individual crisis plans, identify capacity gaps and ensure preparedness for future shocks.

- Empower the crisis management capacities in the CoG for more leadership in times of crisis and ensure that advice from the CCS is effectively taken into account by the government in crisis times through the national security advisor. The CCS' regulations could be strengthened to reinforce its integration in the decision-making processes, for instance by establishing an effective link with the Office of the Government. As the link between the CCS and Cabinet secured by the chair of the CCS and the National Security Council did not prevent inconsistencies and co-ordination issues during the pandemic, the national security advisor could help support the co-ordination with the CCS and the Cabinet and ensure that its proposals are examined by the government and endorsed, as it is the case in a number of OECD countries (including Italy, Latvia, Luxemburg and New Zealand) (OECD, 2020^[3]). In this regard, this new figure, with the support of his/her staff, should be placed both within the Office of the Government and the CCS to support a better link with the Prime Minister's agenda and facilitate faster decision-making.
- Strengthen the crisis legal framework and emergency regulations for evidence-based policymaking:
 - Base crisis legislation on all available evidence to try to mitigate risks of regulatory failure, provide a sound justification for its need, and help communicate regulatory objectives to affected citizens and businesses. For example, the CCS could implement and supervise a response plan review process to ensure that plans are kept up to date and that lessons learnt from previous crises are all incorporated into response plans on an ongoing basis.
 - Where crisis legislation did not follow standard law-making processes, make explicit provisions in the crisis legislation to collect data and then be subject to monitoring and evaluation of its effectiveness and efficiency.
 - Support independent, national evaluation of the overall crisis response of the government and other public players and make the results publicly available. Release the evaluations prepared by the Mol and ensure they are shared at least across the government.
 - The government could build on its risk assessment capabilities to identify future risks beyond those similar to COVID-19. Strengthen the role of scientific evidence in decision-making by implementing a permanent system of scientific advice to the government and drawing up a roster of national experts from different disciplines and organisations to improve evidence-based decision-making.
 - Develop protocols and processes for collecting data on relevant outcomes and essential services to be better prepared for future crises.
 - Strengthen the analytical capacity of the CoG in normal times and in times of crisis to increase the quality and pace of analysis in preparing emergency regulations, measures and policies. The creation of the VAU in the Office of the Government can support the increase in analytical capabilities and the model can be replicated in line ministries.
 - Strengthen the CCS expert working group on legislation's capacity to enforce that extraordinary measures in crisis times still comply with the regulatory requirements and do not conflict with other laws to avoid the potential overturn of measures by other bodies.
- Continue efforts to build a more robust crisis management information system that provides clear frameworks and standards for information and data sharing across ministries and that ensures

interoperability with adequate technical and human resources for more efficient evidence-based policymaking during a crisis.

- A single government portal to share and monitor information should be established in times of crisis, or an existing one should be designated to build the capacity to support fast data collection and sharing at all levels. Any new portal needs to be compatible with the Czech Republic's current IT systems and be developed in consultation with the MoI's chief architect and the relevant digital stakeholders in the country.
- Data protection and sharing protocols need to be adapted to ensure they can be used and shared for relevant analysis, actions and monitoring, particularly in times of crisis.
- Finish reinforcing the framework for strategic crisis communication that is currently ongoing with clear protocols and standards for all public bodies in case a crisis occurs.
 - Having clearly defined roles for disseminating the government's messages through a high-level spokesperson endorsed by the Prime Minister can support the government's leadership, coherent voice and communication.
 - Strengthen the strategic public communication resources of the Prime Minister's Office to support this role.
 - Strengthen transparency in crisis management by clarifying to citizens the responsibilities of each crisis management body, sharing the main measures adopted by the CCS with the public and extending two-way crisis communication with citizens to more channels.
 - Develop capacity to prepare toolboxes and communication materials in the event of a crisis for citizens and the different government levels and institutions as is being done by the MoI on the refugee crisis; transpose the model to other types of crises led by the Office of the Government and supported by the MoI.
 - Ensure that an omni-channel approach for delivery is developed to reach all demographics by using digital and non-digital channels, such as television, social media, government websites and newspapers.
- Institutionalise participatory mechanisms and engage a wider range of stakeholders in the crisis decision-making process to increase buy-in and trust in government response:
 - Consider creating in support of the national, regional and municipal CCS a permanent expert group to consult civil society at all levels during a crisis to be supported by digital and non-digital mechanisms. Co-create working groups attached to the crisis units (CCS) with experts from academia and civil service users during times of crisis.
 - Involve civil society and local actors (municipalities, police forces, schools, etc.) and non-governmental stakeholders early in the management of the crisis.
 - Set up consultation forums to develop mechanisms for citizen participation in crisis management, for instance by involving public service user associations or representatives of certain vulnerable sectors of society in the expert group (that could be led by the CCS) and in online consultations, and by creating consultation forums with individual citizens when updating crisis plans and during times of crisis. Consultation (albeit possibly more limited during a crisis) with affected citizens and businesses should clearly provide the rationale and policy objectives sought to be achieved, in an effort to help boost voluntary compliance.

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Notes

¹ According to the mortality analyses based on data from the John Hopkins University Coronavirus Resource Center, as of August 2022, the Czech Republic had the second-highest mortality rate per 100 000 people among the 38 OECD countries, after Hungary, and the fourth within the 27 European Union member countries after Bulgaria, Hungary and Croatia. Mortality per 100 000 people represents a country's general population, with both confirmed cases and healthy people (Johns Hopkins University, 2022^[5]).

² The survey was elaborated in the framework of the Public Governance Review of the Czech Republic. Percentages are calculated based on the responses received by eight government public bodies, including: the Ministry of the Interior – General Directorate of Fire and Rescue Service of the Czech Republic; the Office of the Government; the Ministry of Education, Youth and Sport; the Ministry of the Environment; the Ministry of Health, the Ministry of Industry; the Central Crisis Staff; and the Ministry of Labour and Social Affairs.

³ See Note 2.

⁴ See Note 2.

⁵ See Note 2.

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CZECH REPUBLIC

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The OECD Public Governance Review of the Czech Republic identifies priority governance areas for reform in the Czech Republic and offers recommendations to strengthen the effectiveness, agility and responsiveness of the country's public sector. The review first provides a snapshot on the effectiveness of the public administration and its capacity to address contemporary governance challenges, such as digitalisation and climate change. It then analyses a number of critical and priority public governance areas including citizen engagement, centre-of-government-led co-ordination and strategic planning, evidence-informed policy making in the Czech public administration, public administration at the local and regional level, human resources management in the public administration, and digital government. It also includes a case study on governance arrangements and regulations during the COVID-19 pandemic. The review provides recommendations for the Czech public administration to help it implement its Public Administration Reform Strategy: Client-oriented Public Administration 2030 (PAR), achieve the objectives of the PAR, and, ultimately, realise its longer-term sustainable development vision and commitments.

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