

Table 1. Standard table for the assessment of CSRs and key macro-structural reforms in the NRPs - The Czech Republic

Main areas of intervention (1)	Number of CSR (2)	Measures	Qualitative information of the planned and already enacted measures					Macro impact of structural reform			
			Description of the measures			Impact on public finance	Yearly and cumulated effect on GDP and other main macroeconomic variables (4)	Description of the model used	Methodological Elements		
			Description of the measure	Legal/administrative instruments	Format objectives					State of Progress (including the implementation stage, the revenues and timing of the measure)	Risk of implementation (if relevant)
Public finance	CSR 1	Measure 1	The validity of some measures were prolonged (e.g. rates on SSC – social security contributions - kept on the 2010 level) some new measures like lowering the wage bill in public sector, cutting of current expenditures (tax changes (VAT, Lottery tax) or adjustments in social transfers were introduced.	Acts published in the Collection of Laws: No. 370/2011; No. 366/2011; No. 458/2011.	Implement the planned consolidation in 2011 and take countervailing measures of permanent nature as needed in case of any revenue shortfalls or expenditure slippages.	Approved.	No risks, fiscal consolidation in 2011 already implemented.	Overall impact on public finance is 75000 mil. CZK in 2011.	The impacts of prepared and already approved important structural reforms in most cases is seen only in long term, as these are basic systemic changes, whose aim is the increase of growth of potential product and employment and at the same time saving the public finance. In the horizon of the National Reform Programme / Convergence Programme their macro-economic impact is limited. Therefore, this impact on the economic growth is not calculated here. More details on the macroeconomic impact have been included in the Convergence Programme.		Assumptions of the model, including variables and parameters
		Measure 2	Cutting of expenditure ceilings; adjustments in VAT (value added tax) rates; introducing 20 % Lottery tax (most important measures); on the other hand introducing of an opt-out provision reform.	Acts published in the Collection of Laws: 370/2011; 458/2011; 426/2011.	Adopt fiscal measures as planned in the Convergence Programme for 2012.	Approved, pension reform to be valid since the 1st of January 2013.		Total impact on public finance amounts around 43700 mil. CZK in 2012.			
		Measure 3	Raising tax rates concerning VAT and PIV (personal income tax); Lowering of wage bill in public sector; Modifying the indexation of pensions (main measures). Measures will be specified in more detail in relation to the Convergence Programme for 2012.		Underpin the target for 2013 by more specific measures, and subject to this, avoid cutting expenditure on growth-enhancing items.	Government proposals.	There may be some modifications in the proposals to be approved.	Total impact on public finance amounts around 57000 mil. CZK in 2013 and around 100000mil. CZK in 2014 and 2015.			
		Measure 4	better legal regulatory framework for public procurement.	Act published in the Collection of Laws: 55/2012 Coll.	Improve the efficiency of public investments.	Approved, new legal framework has been valid since 1 April, 2012.					
		Measure 5	The introduction of rate hike on reduced VAT rate by a p.p. in 2012. Planned introduction of unified VAT rate in 2013 as a second phase of VAT hike was recently replaced by 3 p.p. an increase in both VAT rates since 2013. The tax reform associated with the introduction of single collection point in 2014 will further reduce direct taxation.	Act. No. 458/2011 Coll. – governing the measures of tax reform, VAT hike in 2013 recently approved by Government.	Continue efforts to exploit the available space for increases in indirect tax revenue to shift taxes away from labour.	Approved.					
		Measure 6	A single collection point will be established (based on current structures of the tax administration), for the collection of taxes, customs, healthcare and social security contributions.	Act No. 458/2011 Coll.	Improve tax compliance and reduce tax evasion.	The single collection point should be fully in force as of January 1, 2014.		The expected impact on public finance calculated together with reducing the direct taxation is - 15000 mil. CZK yearly as of 2014.			
		Measure 7		Acts published in the Collection of Laws: No. 370/2011; No. 366/2011; No. 458/2011; No. 426/2011.	Ensure an average fiscal effort over the period 2010-2013 of 1 % of GDP, which will allow meeting the EDP (Excessive Deficit Procedure) deadline with a sufficient margin in 2013.	See the information on measures 1-5.	The possibility of negative growth developments as a result of financial crisis and the eurozone situation.				
		Measure 8	A new Act is being prepared that will define the principles of budgetary discipline and responsibility and will cover the fiscal framework by fiscal rules for the entire general government and its individual sub-sectors. It will define debt brake and establish new independent fiscal institution with responsibility for monitoring and reporting.	The Act on Budgetary Discipline and Responsibility - under preparation.	Promote budgetary discipline.	Draft Act will be submitted to the Government in October/November 2012, the Act will be in force as of July 1, 2013.	Approval to be based on a broad political agreement.	The positive impact on public revenues and expenditures is expected after the adoption of the Act on Budgetary Discipline and Responsibility due to stronger rules and their enforcement.			
		Measure 9	The introduction of tax measures package in the upcoming years. This package includes tax measures such as the increase in VAT rates by 3 p.p., rate hike on wine and tobacco, an increase in rate of real property transfer tax, an increase in tax rate on personal income tax etc.	Approved by the Government.	Introduced to recule the deficit of public finance.	At the beginning of the legislative process.					
	CSR 2	Measure 1	The reform introducing a multilateral system was approved in November 2011, to be set off on 1st Jan. 2013, based on an opt-out principle. Working people may decide to lower their contribution to the PAYG scheme by 3 p.p. and transfer these contributions to the fully funded (FF) scheme with the addition of 2 p.p. of gross wage.	Act No. 426/2011.	Implement the planned pension reform in order to improve the long-term sustainability of public finances and to ensure the future adequacy of pensions. Additional efforts should focus on further changes to the public pillar to ensure that the system is not a source of fiscal imbalances in the future, and on the development of private savings. With a view to raising the effective retirement age, measures such as a link between the statutory retirement age and life expectancy could be considered. Ensure that the envisaged funded scheme attracts broad participation, and is designed to keep administrative costs transparent and low.	The legislation has already been adopted, during the first half of the year 2012 the process of licencing of the operators should be completed, so as in the second half of the year the offer to enter the FF scheme could be launched. The insured could then enter the FF scheme as of 2013.	Due to the consolidation efforts the risk of postponement of the reform exists.	The transition period will last until 2060. During this period transitional deficits will be generated, peaking at 0.6 % GDP in 2025.			
		Measure 2	The so-called "small pension reform" has introduced the gradual prolongation of the pension age in relation to the life expectancy and its faster unification for men and women.	Act No. 220/2011.		The legislation is already implemented.	N/A	Positive impact on the PAYG (pay as you go) balance amounting up to 4% of GDP.			
		Measure 4		Act No. 426/2011.		See Measure 1.	The experience will show if the funded scheme has attracted the satisfactory number of insured.				

Labour Market	CSR 3	New legislation.	New law is being prepared concerning the new types of childcare services to extend a range of childcare services providers and types of childcare according to children's and parents' needs and to support parents' participation in the labour market. Family-friendly tax measures are also included concerning the childcare and supporting working parents and family-friendly employers.	New law and related amendment of existing legislation.	Extension of range of childcare services providers and types of childcare according to children's and parents' needs, support of parents' employment, support of working parents and family-friendly employers.	The draft law is almost ready to be approved by the Government in the coming months, in accordance with the Government Policy Statement, and should be implemented next year after further legislative process.		State budget revenue is expected following the implementation of new legislation due to the expected increase in parents' participation in the labour market. State budget expenditure is expected due to the registration and inspection of service providers and also due to the new family-friendly tax measures (tax credit for parents and tax deductible costs for				
		Activities financing from ESF or state budget.	Projects promoting reconciliation of work and family life implemented or prepared by MOLSA, NGOs and other organisations are supported from European Social Fund or from the state budget and they are focused e.g. on promoting modification of working arrangements with regard to family's needs, on the development of childcare services, on a more family-friendly measures in the workplace by cooperation with parents' employers, on the support of fathers to share parent's responsibility more equally with their partner, on advising services in the field of reconciling work and family life etc.	Periodic (usually annual) grant proceedings from state budgeted and from European Social Fund.	Support of activities concerning various matters relating to promoting reconciliation of work and family life designed for general or specific target groups by various organisations.	Activities are implemented or prepared in accordance with the target groups' needs and the grant proceedings thematic focus and time range.		Expenditures should be balanced by contribution of the implemented activities promoting the reconciliation of work and family life and parents' participation in the labour market.				
Product and service market	CSR 4	Change of organisational structure and responsibilities of PES.	From April 2012, the organisational structure of PES (Public Employment Service - labour office) has changed. The Labour Office of the Czech Republic was established, with 14 regional branches and local contact points. This step enabled the extension of activities of the labour office, besides the previous responsibilities in the areas of employment, protection of employees in case of insolvency a state social support, the Labour Office took over from January 2012 the agenda of social benefits for persons with disabilities, assistance in material need, provision of care allowance and also the inspection of social services. On the other hand, the agenda of labour inspections was moved from the Labour Office to the State	Social reform I - Package of legislative and organisational measures.	Simplification of administration and management of PES, reduction of operational costs, increasing efficiency of services by merging decision-making and implementation of payment of non-contributory benefits, targeting of benefit systems, better interconnection between implementation of social policy and employment policy, improved accessibility for services for job-seekers and benefit recipients, modernisation of ICT systems (e.g. interconnection of databases of job-seekers and benefit recipients).	The building of new technical infrastructure of the Labour Office is being finalised: new software application (online targeting of benefit systems, interconnection of database etc.). Transfer of personnel for payment of social benefits from municipalities has been finished, training for the PES staff is being organised (on both new legislation and new software applications). Implementation of new responsibilities should have stabilised by the end of the first half of 2012.		Given the relatively short time period it is not yet possible to quantify impacts on the state budget. Implementation of new software, training of PES staff etc. implies budget expenditure in the short term, however, in the long run, budgetary savings are envisaged, in terms of hundreds of millions CZK. Permanent decrease of costs will be achieved also thanks to the use of the ESF.				
		Modernisation of the social system and labour law.	In 2011, legislative changes of the social reforms were approved in key areas: benefit systems, assistance for persons with disabilities, assistance for persons in material need, employment, labour law, family policy and childcare. The legislation entered into force from January 2012.	Package of legal and organisational measures.	The introduction of a new system of benefits through reduction of number of types of benefits and the centralisation of decision-making regarding benefits and their payment into one authority, increasing the targeting of benefit systems, increasing efficiency of employment and social services, better coordination between the implementation of social and employment policy. More flexible labour law with the aim to encourage employers to create new jobs, increased motivation of people to actively solve their situation, acquire or maintain working habits (new conditions for awarding unemployment benefits, new definition of public/community work, introduction of a possibility of individual decision on the type of retaining by job-seekers, introduction of new, innovative ALMPs etc.).	Legislative changes entered into force from 1st January 2012, now they are being implemented into practice by the Labour Office. Among new ALMP (Active Labour Market Policy) measures belong projects focused on training of employees (including new employees hired from the ranks of job-seekers) in enterprises with growth potential (projects "Get trained for growth!" and its branches), projects focused on deepening, extension, increasing, updating or maintaining skills and		Given the short time period, the impacts on public finance cannot be quantified now. In the long run, we expect saving of the state budget in terms of billions CZK.				
Public administration	CSR 5	Act of Officials in Public Administration and on Education in Public Administration.	A new, unified legal arrangement of working conditions for officials at both central and territorial (local, regional) level.	Adoption of a new law.	Creation of a single legal framework for public administration officials.	In February 2012 the Government approved the thesis of the Act, the preliminary proposal of the Act is supposed to be submitted to the Government till September 2012, the entry into force of the Act is foreseen as from 1 January 2014.						
		Concept of finalising of public administration reform.	A plan of specific measures focused on removing of shortcomings in the system of public administration.	A priority of the Government Programme Declaration.	Finalisation of reform processes in particular fields of public administration.	The analysis of actual State of public administration has been approved in December 2011. Works on the final proposal of Concept of finalising of public administration reform are in progress. The document is planned to be submitted to the Government by 30 June 2012.						
		Basic Registers.	This project will significantly contribute to the reduction of administrative burdens and increase the effectiveness of public administrations. The principle of "once-only" registration of data will be established by the law. Both citizens and business are not obliged to declare the same information to public administration any more.	Legislative measures have been already adopted.	Launching of public registers and sharing data among public administration.	According to the law, basic registers will be launched on 1st July 2012.						
		Data - boxes.	The data-boxes represent an example of a successful eDelivery service in the Czech Republic with a daily transfer of about 150 000 messages. Thanks to this system, the delivery of official documents is much more efficient, including money and time savings and the reduction of carbon footprint. New features of data boxes are planned, especially in the view of the digital single market and cross-border services.	Legislative measures focused on providing seamless services have been already adopted and will be implemented in the near future (during 2Q 2012).	Establish multi-stakeholder-partnerships focused on providing seamless services (e.g. between data-boxes and e-banking services).	Foreseen launching in 2Q 2012.						

	e-Government Projects: e-Sbirka (e-Collection) and e-Legislative (e-Legislation)	This project is aiming at simplifying the access to effective law for citizens, businessmen and Public Administration and to facilitate the orientation in Czech and EU Law. The projects will bring higher quality, effectiveness and transparency to the whole legislation process by its digitalization and by establishing of legally binding / consolidated version during the whole legislation process.	As a part of the project, the adoption of the Act on Collection of Acts and International treaties and on digital creation of legislation is foreseen. The project also aims on creation of e-Sbirka (eCollection) and e-Legislative (eLegislation) systems to ensure the actual implementation of policies contained in the	The objective of the project is to provide cost-free access to modern system for authentic digital version of legislation and current and past consolidated version for citizens, enterprises and public administration and to establish modern tools for digital creation of legislation, which will be used mandatory in the legislative process.	The project is currently in its preparatory stage. The implementation stage is expected to start from the second half 2012 and last until June 2015.					
	Fight against corruption.	Effective public administration and the fight against corruption.	A set of legislative and non-legislative measures outlined in the National Anti-corruption Strategy for 2011-2012. See NRP for details.	Reducing the level of corruption in the Czech Republic.	National Strategy for the fight against corruption (for years 2011 - 2012) on the right track of full implementation by end 2012. National Strategy for the fight against corruption for years 2013-2014 to be prepared by end 2012.			Substantial savings in the expenditures of municipalities (40 million CZK in total) can be expected due to the introduction of official digital version of legislation. Further savings are possible as cost-free use of eCollection can replace in future the use of commercial legal information systems in public administration.		
	Solving the issue of possession of unregistered shares.	Measures concerning the possession of unregistered shares.	Enactment of law.	Elimination of unregistered shares possession of joint-stock companies.	submitted to the Government.	No principle risk.	0	impossible to assess. The proposed amendment transfers the costs on joint-stock companies.		
	CSR 6	Introduction of a set of quality indicators and performance of universities, followed by changes in the rules regarding their funding.	Material on the system of performance indicators for higher education system, through which it will be possible to see how that develops high school, compared with the whole system. Mapping the creative activities of higher education in order to use this knowledge to further evaluate the quality of higher education.	Creating a system of quality indicators and performance of universities and the subsequent changes in the rules regarding their funding.	Continuously discussed with the representatives of universities.	N/A	N/A	N/A	N/A	The system will map the Czech higher education focus and evaluate the quality of individual institutions with respect to their specific mission, to distinguish different dimensions of quality in key areas of higher education.
	Measures with an impact on macroeconomic scenario (3)	Measure 1								
		Measure 2								
		Measure 3								

(1) This classification is in line with that already used within the framework of CSRs monitoring under the first European Semester.

(2) The number of CSRs differs across Member States

(3) Regardless the main area of intervention, it includes any sort of structural measures planned or enacted by Member States that are not under a previous CSRs, but have an impact on macroeconomic scenario

(4) Other macroeconomic variables mainly refer to the main components of domestic demand (private consumption and investment) and employment.