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COUNTRY FICHE

CZECHIA [CZ]

Between 2014 and 2020, Territorial Delivery Mechanisms were deployed across virtually the entire territory of Czechia. Three types of these instruments were used. Firstly, a single Sustainable Urban Development (SUD) strategy was implemented in Prague through a dedicated Operational Programme (SUD OP), which was the largest strategy in budgetary terms. This programme combined support from the European Regional Development Fund (ERDF) and the European Social Fund (ESF). Secondly, seven Sustainable Urban Development strategies were implemented in larger urban areas through the Integrated Territorial Investment (ITI) mechanism. These strategies sought to integrate funding streams from the ERDF and the Cohesion Fund (CF). Finally, a large number of Community-led Local Development (CLLD) strategies were deployed across the country, combining three funding sources: the ERDF, the ESF, and the European Agricultural Fund for Rural Development (EAFRD).

POPULATION	STATE TYPE
10.57 million	Decentralised

NATIONAL ESIF BUDGET

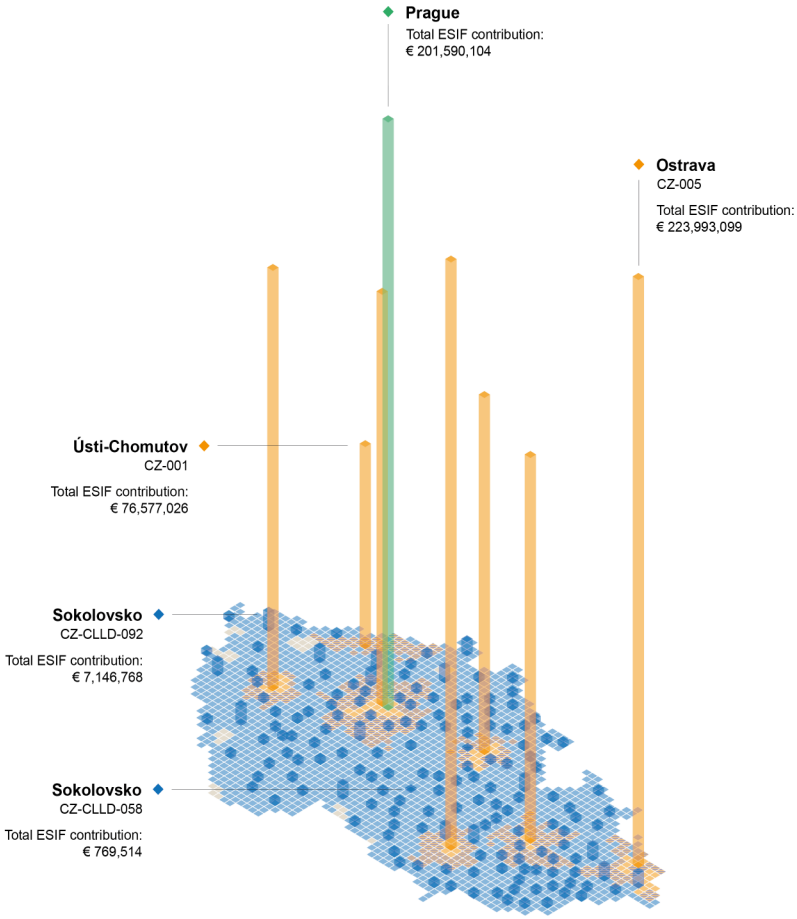
EU Contribution (EUR)	€ 25,783,055,086
National Contribution (EUR)	€ 9,117,985,358
Total Contribution (EUR)	€ 34,901,040,444

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation[2]	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	1	ERDF, ESF	0.9%	68%
SUD (Art. 7) Priority Axis	0	-	-	-
Integrated Territorial Investment (ITI; SUD)	7	ERDF, CF	5%	78%
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	178	ERDF, ESF, EAFRD	2.5%	82%
TOTAL	**186**	**-**	**8.4%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



CZ

Description

Geographical distribution of strategies per type of TDM, with an indication of the amounts of the respective ESIF contributions. For each type of TDM, strategies with the highest and the lowest amounts of funding are indicated.

Source: STRAT-Board (JRC, n.d.).
Note: There may be discrepancies between data from STRAT-Board and from other data bases.

Legend

= SUD (Art. 7) Operational Programme

= Integrated Territorial Investment (ITI; SUD)

= Community-led Local Development (CLLD)

Scale

€ 5,000,000
€ 10,000,000
€ 50,000,000
€ 100,000,000

GOVERNANCE CONTEXT

Czechia operates as a decentralised country with three levels of government. While regional and local authorities are responsible for tasks and duties within their respective territories, they have limited autonomy in legislative and fiscal matters. The country consists of 14 self-governing regions but is highly fragmented at the local level, with over 6,200 municipalities. Czechia has a well-defined national urban policy known as The Principles of Urban Policy (Zásady Urbánní Politiky). This policy, developed by the Ministry of Regional Development in 2010 and updated in 2017, serves as a framework for coordinating urban development efforts across all levels of government. It integrates sectoral policies with urban strategies to ensure cohesive development. The Ministry of Regional Development is responsible for this national urban policy, with related initiatives taking place at the national, regional, and city levels. These initiatives often rely on support from Cohesion Policy funds.

COHESION POLICY CONTEXT

A relatively large number of Operational Programmes (OPs)—no fewer than seven—contribute to the Territorial Delivery Mechanism strategies in Czechia. Notably, Czechia allocated almost 10 per cent of its national ERDF budget to sustainable urban development. There are two ERDF-only OPs. The first is the Integrated Regional Operational Programme, managed by the Ministry for Regional Development. It focuses on supporting regional development and improving public administration and public services in the Czech Republic, particularly in the

areas of education, healthcare, social services, social inclusion, regional transport, urban development, and culture. The second is the OP Enterprise and Innovation for Competitiveness, managed by the Ministry of Industry and Trade. It focuses on research and innovation, entrepreneurship and the competitiveness of Small and Medium Enterprises (SMEs), energy and resource efficiency in SMEs, and the development of high-speed internet networks and ICT services.

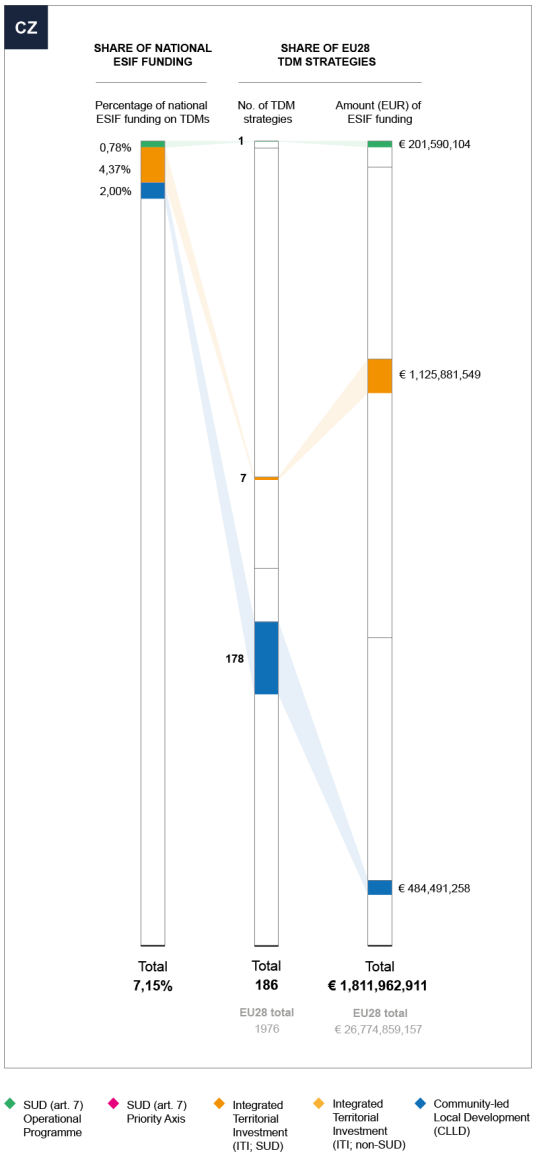
There are also several multi-fund OPs. The Research, Development and Education programme, combining ERDF and ESF funding and managed by the Ministry of Education, Youth and Sports, funds initiatives promoting inclusive education at all levels, facilitating equal access to high-quality pre-school, primary, and secondary education.

The Environment OP, funded by ERDF and CF and managed by the Ministry of the Environment, supports improvements in water quality and flood risk management, air quality, waste and resource efficiency, conservation and care of nature and landscapes, and energy savings in the public sector. The OP Transport, overseen by the Ministry of Transport, also combines ERDF and CF funding streams to promote sustainable transport and develop network infrastructures.

Last but not least, there is the dedicated SUD OP for Prague (OP Prague – Growth Pole), managed by the municipal government. More details on this programme, which falls under the category of Territorial Delivery Mechanisms, are provided below.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

Sustainable Urban Development (Art. 7) Operational Programme

A single SUD OP strategy was implemented in Czechia's capital, Prague, with an EU contribution of €201 million, combining ERDF and ESF funding. The strategy aimed to enhance research, technological development, and innovation, promote sustainable urban mobility and energy efficiency in public buildings, and support social inclusion and education. Although technically a SUD strategy, local policymakers did not view it as a territorial instrument like the CLLD and ITI strategies, but rather as a standard OP focused on Prague. This strategy empowered the municipal government of Prague to take a leading role in directing EU funding, leveraging its experience and strong administrative capacity. The City of Prague acted as the Managing Authority (MA), with no Intermediate Bodies involved.

While the SUD OP addressed Prague's specific needs, its focus on areas within the city's boundaries limited its impact on broader spatial integration, especially since a separate SUD ITI strategy was implemented in Prague's Functional Urban Area. Studies indicated that Prague's development needs could have been met through other means, albeit more slowly, even without this dedicated OP. The strategy mainly supplemented existing domestic initiatives and filled a funding gap, as most EU resources were directed to less developed regions. However, initial regulatory challenges delayed implementation, similar to other OPs in Czechia. Consequently, the SUD OP strategy for Prague was discontinued for the 2021-2027 period.

Sustainable Urban Development Integrated Territorial Investment

During the 2014-20 programming period, Czechia implemented seven SUD ITI strategies, supported by ERDF, CF, and ESF funds. These strategies covered a wide range of thematic objectives, with particular emphasis on network development and the low-carbon economy.

The strategies were shaped by a mix of top-down directives from the National Coordination Authority, which defined thematic scopes and financial allocations, and decentralised decision-making by local authorities acting as Intermediate Bodies.

The key value of SUD ITI in Czechia lay in strengthening links within Functional Urban Areas (FUAs) and fostering new collaborations, as seen in the Hradec Králové and Pardubice agglomeration. Here, the strategy enhanced functional connections between the two cities, demonstrating a clear intervention logic. The spatial boundaries for the SUD ITI in Hradec-Pardubice combined national territorial criteria with local flexibility, allowing urban authorities to adapt the criteria based on commuting patterns and other local specificities. However, in some cases, the demarcation of FUAs was driven more by political or financial considerations than by functional needs.

The collaborative approach of SUD ITI enabled more integrated, partnership-based projects compared to mainstream Cohesion Policy. For instance, the Hradec-Pardubice SUD ITI supported inter-university flagship projects promoting innovation. Additionally, SUD ITI effectively targeted specific regional development needs within FUAs, as demonstrated by the ITI in Ústí nad Labem-Chomutov, which focused on improving transportation, environmental revitalisation, economic competitiveness, and social cohesion in a region historically dependent on heavy industry.

Despite these benefits, the approach increased administrative complexity for city authorities and Intermediate Bodies. However, close cooperation with applicants resulted in higher success rates. A notable challenge was the limited engagement of citizens and local communities in these strategies.

Mobilisation of new stakeholders in SUD ITI in Hradec-Pardubice

The SUD ITI strategy in Hradec-Pardubice sparked new collaborations in the region, notably through the unprecedented engagement of knowledge sector actors and companies, facilitated by the City of Pardubice acting as an Intermediate Body. The strategy was closely aligned with the Regional Innovation Strategy (RIS3), and collaboration between universities in the two core cities of the Functional Urban Area was highlighted as a key element. To support this, a cross-sectoral R&D thematic working group was established to identify potential projects. Over time, the partnership with local universities extended beyond the ITI framework. 'Flagship' projects, particularly those related to industrial clusters, were instrumental in fostering new collaborations. Cooperation between the universities became a prerequisite for applying for funding for these flagship projects, leading to long-term partnerships that continued beyond the project's duration. Similarly, new collaborations between local authorities and companies were initiated through these flagship projects.

Community-led Local Development

CLLD was extensively implemented across nearly the entire Czech Republic, with eligibility extending to municipalities with populations under 25,000. Only 5% of the Czech population resides in areas not covered by CLLD. The majority of ERDF, ESF, and EAFRD funding was directed towards social inclusion initiatives, though a smaller portion was allocated to environmental protection. The primary goals were to reduce local unemployment, harness the economic potential of rural areas, improve conditions for socially excluded individuals or those at risk, preserve cultural heritage, and enhance local services, including transport. Notably, most LAGs successfully integrated all three funding sources (Konečný, 2020).

The implementation of SUD ITIs combined top-down directives with bottom-up inputs, where Managing Authorities played a key role in shaping CLLD strategies but also allowed for local adaptation. CLLD management was shared between two ministries: the Ministry of Agriculture, which set standards for LAGs, and the Ministry of Regional Development, which oversaw the approval of CLLD strategies. Both ministries served as managing authorities for the operational programmes supporting CLLD (Konečný, 2020).

The Czech CLLD model is characterised by its fragmentation, reflecting the small scale of local governments. Consequently, Czech LAGs were smaller compared to their counterparts in other countries. Additionally, the approach was largely non-selective, with nearly all previously established LEADER LAGs receiving funding through CLLD. Another distinctive aspect was the strong influence of public sector representatives, particularly mayors, within the LAGs, with relatively limited involvement from non-profit organisations and associations. Building on the LEADER initiative, a bottom-up association was formed, bringing together 169 LAGs to foster cooperation among rural development stakeholders, share knowledge, and strengthen the role of LAGs in managing EU funds, supported by regional networks and LAG associations (Konečný, 2020).

IN SUM

Czechia's approach to Territorial Delivery Mechanisms was extensive in terms of territorial coverage. While the impact of the SUD OP strategy on improving strategic planning and developing functional linkages was limited, SUD ITI strategies significantly institutionalised cooperation within FUAs and supported integrated initiatives. Meanwhile, CLLD strategies, though fragmented, built on the LEADER experience and supported social inclusion projects across almost the entire Czech territory, fostering extensive collaboration among networks of LAGs and rural development stakeholders nationwide. Finally, it should be noted that, overall, Territorial Delivery Mechanisms, despite some administrative hurdles, performed well in terms of financial implementation, surpassing mainstream Cohesion Policy initiatives in this regard.

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