



Main Messages – VNR 2021 of the Czech Republic

Introduction

The transformation from authoritarianism to democracy which Czechia has gone through over the last 30 years has in many ways been led by the principles of sustainable development and strengthened by membership in the EU. This successful transformation is evident in the benchmarks in which Czechia ranks near the forefront (8. rank in SDG Index, 10. Rank in SDG Europe Index, 17. rank in Transformation Performance Index). But still, success must be measured comprehensively. As such we consider the VNR an opportunity for a thorough and objective evaluation that will help us find ways out of the Covid-19 pandemic. Tangible steps to improving the wellbeing of Czech citizens and sustainability for the next generation are indeed our key priorities.

Progress and challenges since 2017

Czechia is well aware of the prominence of climate change and meets the EU's climate commitments. Over the last 20 years, Czechia has significantly reduced its GHG emissions but the downward trend is currently stagnating because of the emission intensive energy sector and energy-intensive industry. GHG emission intensity per capita remains one of the highest in the EU since the Czechia is an open economy with a strong industrial base. Decarbonization poses a major challenge, not only at environmental, but also at the economic and social level. Therefore, the just transition of coal regions is in preparation and the coal phase-out is expected by 2038 at the latest.

The impacts of the Covid-19 pandemic have reminded us of the fragility of our achievements. Income inequality and at-risk-of-poverty rate are low due to the effective social protection system and increases to the minimum wage in recent years. Czechia was severely affected by the Covid-19 pandemic, but the healthcare system withstood the pressure. Nevertheless, the pandemic has deepened the long-term shortcoming in the availability and financing of social services. Vulnerable groups have lost their primary earners, especially single parents who must remain at home to look after their children, despite Czechia's unemployment rate remaining at record low levels during the pandemic.

The social system now stands as the greatest challenge, which consists of maintaining the successes achieved so far, while dealing with increasing pressure. Leaving no one behind will now be more relevant than ever before, especially in regard to gender equality. Women still earn on average 20% less than men, and in combination with other disadvantages, are generally more vulnerable.

Currently the National Recovery Plan (approx. 7 bil. EUR) is being prepared which focuses on several transformative areas such as decarbonization, circularity, digitalization, climate change adaptation and the resilience of the health-care system. Coping with lockdown also continues inclusive education reform.

Although Czechia is a small country, it does not neglect its global responsibility. The SDGs have been fully incorporated into its development cooperation strategy and activities. Czechia has not yet fulfilled its commitment to provide 0.33% of GNI for ODA despite its slight gradual increase in real terms (until 2019). In line with the 2030 Agenda and the global financing for development policies, Czechia has also made progress in mobilizing private finances and promoting innovation.



Implementation tools

The long-term vision is embodied within the Strategic Framework Czech Republic 2030, which aims to coordinate public administration and deploys a PCSD lens. Since 2019, a focal points network has been in place to ensure fulfilment of the SDGs at each ministry. Czechia strives to mainstream sustainable development perspective in day-to-day "policy-making" processes. Regulatory impact assessment especially has the potential to be the most appropriate tool for this purpose, if it is amended to include a sustainability perspective.

Progress is monitored by three sets of indicators circa 500 - the 2030 Agenda global indicators, the national indicator set linked with the Czech Republic 2030 and national well-being indicators. Nevertheless, well-being perspective has to be further elaborated to be incorporated into policy making processes.

In 2020, Czechia conducted its first overview of state budget expenditures with regard to SDGs (SDG tagging). The 75% government expenditures are in compliance with SDGs' priorities. However, budgeting directly based on SDGs requires major adjustments in the structure of the budget and the process of its preparation.