

Policy Statement of the Government of the Czech Republic



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Preamble and Key Government Priorities

Our citizens live in a safe country, a blessing bestowed on few of the nations around us. Unrelenting in its efforts to safeguard security and protect the country from all manner of external incursions, the Government will continue to reinforce our defence capabilities and internal security.

One of this Government's headline objectives is to fight for Czech citizens' interests within the European Union and reject the existing refugee quota arrangements as an ineffective concept that is divisive for Europe. The Czech Republic will actively engage in key political negotiations within the EU and, in concert with the other V4 countries and further European allies, will put forward an alternative system to deal with the migration issue that relies on the security of external borders, and the freedom to select refugees before they actually cross the European Union's external borders as an effective European solution that is consistent with international conventions while respecting the principle of solidarity among EU Member States.

This Policy Statement centres on the pursuit of six core strategic tenets for the development of our country. By implementing it, we would like to guide the economy and society at large in a new direction guaranteeing that our country can hold its own in the European economy and in a changing world.

Rather than just debating what the future holds for us, we want to move beyond words and do everything we can to improve our lot and pass on a thriving country and economy to our children. Put simply, let's think about the future instead of only living for today. Let's set aside the differences that have weakened our society in recent years and wake up to the fact that the future will not be easy and that our descendants will not forgive us if we do not do everything that we should and could have done.

It is on this basis that we have singled out the main areas where we want to make tangible progress in the next four years. Naturally, the timeframe for these projects extends beyond the coming parliamentary term. While we realise that not everything will be resolved in that time, it is our ambition to break ground here.

Our core strategic tenets:

1. We want pension reform.

We want to engage in specific action without lengthy and futile debate. It is a matter of uncoupling the pensions account from the central government budget and establishing clear financial relations both between them and with any other sources of income for that account. The public will know where its social security contributions are going and what they are being used for.

By the end of 2018, the Government will introduce discounted train and bus fares for seniors over the age of 65, school pupils, and students up to the age of 26.

We will push for the faster construction of affordable housing for seniors and young families, with a particular focus on compact community-type rental units, further to an analysis of requirements in this area conducted in collaboration with regions, towns and municipalities.

2. Digital Czech Republic.

We want high-speed internet to be available everywhere. We want to employ uniform standards and to use shared services wherever possible. We must deploy uniform services at central government level. We will devise a centralised government portal where citizens can sort out all of their needs, and we will draw on Czech Post's services for those who do not have internet. Computerisation must be in place wherever possible – tax returns, electronic receipts, electronic motorway vignettes, etc.

3. We want to be seen in Europe.

We must be more assertive in defending our interests in a unifying Europe. This is not just about immigrant quotas, which we reject – and we would like to convince our partners of this. We would also like greater support to combat tax havens and tax evasion. In addition, we want backing for our plans to develop nuclear energy. In relation to Brussels, it is our intention not to be yes-men, but to act as policy influencers. While the Government currently sees no way of joining the euro area, it will continue to respect the commitments that have been made.

4. We will prepare a strategic investment programme.

First and foremost, we will put forward a new line construction law that encourages building and does not allow obstructions to get in the way. This is a be-all and end-all policy for us.

We plan to build motorways and bypasses. To start preparing a route for high-speed rail and the renovation of stations. Elsewhere, stations are examples of modern infrastructure serving entire cities with commerce and amenities, yet in the Czech Republic it is sad that these tend to be filthy buildings blotting the urban landscape.

We need to lay the groundwork for the construction of new units at nuclear power stations. We will limit investment incentives solely to projects that add a lot of value.

We need to rally behind productive investments for technologically backward SMEs.

Local government, working in tandem with our central Government, must build housing for young families and seniors alike.

It is imperative that we start renovating monuments in all regions in order to attract tourists away from the beaten track.

We will look for ways, across the various ministries, to lessen the plight faced by economically challenged regions.

5. We want to start reforming the state.

This means having a balanced central government budget and passing a new Income Tax Act. Rigorous regulated price controls, especially for water and sewerage rates. Improvements in the management of state assets. Fighting usury.

We need to straighten out the relationship between self-governing bodies and the central government budget.

We will work with the Union of Towns and Municipalities to negotiate the level of contributions to state administration.

We need to reform social care and regulate the job market, encompassing new sources of labour and greater incentives to work.

We need to set rules on the financing of education, finally start boosting technical education and apprenticeships, and restore order to the system of higher education.

We need clear rules on the financing of the health sector and the development of its capacities.

We will revamp sport both for top-level athletes and for the masses. We will not allow public services or enterprises in which the state has a participating interest to be privatised.

6. We will reinforce our security.

Increased defence spending will go hand-in-hand with the greater involvement of Czech companies (suppliers of arms, ammunition, etc.).

Internal security will be based on foreseeing crisis situations and addressing them assiduously via the police force and both professional and voluntary fire brigades.

We will prioritise energy security and self-sufficiency in the generation of electricity.

We will scale up the country's food self-sufficiency.

We will protect the soil – as a source of natural capital – against land-grabbing and erosion.

We need to retain as much water as possible in the landscape.

We will protect and process indigenous raw materials in a way that delivers the utmost effect for the state.

This Government will not parachute political appointees into state administration. On the contrary, it will open up and depoliticise state administration.

The Government stands ready to involve the opposition's experts, social partners' representatives, professional associations, interest groupings, other similar organisations, and local government in the implementation of government priorities and the Policy Statement in a bid to find the maximum possible consensus. At the same time, Government declares that it will accommodate monitoring by the Parliament of the Czech Republic, to which it is accountable for its activities.

The Government will continue to work with social partners. We want to hear the views of business associations, as they often come up with rational opinions to improve the work of state bodies. Needless to say, employees and their trade unions are also a key partner for us because the points they raise provide important feedback for the actions taken by the Government.

It is my firm belief and hope that all parliamentary parties' MPs will set aside their fringe disagreements and help to form and ensure the functioning of a Government that will work in the interests of Czech citizens in keeping with their preferences and clearly stated political will.

Andrej Babiš,

on behalf of the Government of the Czech Republic

State financing and management

The simplification and computerisation of the tax system will be a priority for the Ministry of Finance. We will push, as much as possible, for communication with tax offices to be switched to the online environment, for the introduction of new and effective procedures in the administration of international corporations' taxes, and for the efficient compilation and implementation of the central government budget.

We place an emphasis on increasing investments and on efficiently taking up EU resources to plough into investments. We will advocate a rise in pensions and in pay for selected professions, such as teachers and social service workers. We will promote the efficient management of operations with due diligence, employing the centralisation of procurement and cost control.

We will rally behind long-term economic growth. We respect the rule that any deficit must be lower than the amount of nationally-sourced investment. In addition, in the long run we will stabilise the state debt relative to GDP and maintain it at a low level.

We espouse a stable and predictable fiscal landscape. Changes to the system of tax laws will be made only by a handful of summary amendments, with ample deferral of effect. All new IT systems will be user-tested before they go live. We aim to ensure fair and equitable terms for work and business and we will not be making the tax burden any heavier.

We will scrap the "super-gross wage" used to determine personal income tax and will propose a new reduced rate amounting to 19% of the gross wage. We will preserve the existing solidarity-based tax surcharge by introducing a rate of 23% of the gross wage. We will enable entrepreneurs to deduct three-quarters of the insurance contributions they make in relation to their self-employment activities from the taxable income generated by such activities. System changes must drive down the tax burden faced by employees by one percentage point.

We will implement the MY Taxes (*MOJE daně*) project with a view to simplifying tax administration and the tax system. We will launch an online tax gateway to provide a comprehensive overview of the taxpayer's tax history, make it possible to file submissions relating to tax administration, and offer "pre-filled tax returns".

We respect the principle of tax neutrality. We will arrange for tax exemptions to be reviewed and merged, while discouraging the introduction of new ones, as this will give us leeway to make a blanket reduction in the incidence of tax. We will back a proposal for new conceptual legislation on income tax that will revise taxation and the system of insurance contributions from income in order to simplify taxes and eliminate tax distortions. We will round off income tax re-codification by preparing an integrated system for the administration of taxes and insurance contributions so that all these statutory liabilities can

be paid in one place.

We will arrange for legislation on the tax process to be amended in order to simplify the tax administration system, enhance legal certainty, and scale down the administrative burden faced by the tax authority and the taxable entity alike. This amendment will include the expansion of the concept of lump-sum tax. We will also seek a conceptual solution to the issue of tax credits for taxable entities, along with reviews of audit procedures and the penalty system.

We will push for the VAT reclassification of further goods and services from the 21% standard rate or the 15% first reduced rate to the 10% second reduced rate, especially in the following cases:

- catering services and the serving of drinks, other than alcoholic beverages and tobacco products;
- draught beer served within the scope of restaurant and catering services;
- water and sewage rates;
- services involving a high degree of human labour, including the repair of footwear and leather products, the repair of sports products, the repair and cleaning of garments, hairdressing, cosmetics and similar activities, the home care of seniors, the home care of children, the cleaning of households, and the cleaning of windows in households.

Once we have conducted a root-and-branch evaluation of how the system for the electronic registration of the receipts is working, we will propose amendments to the Sales Registration Act so that the functionality of this instrument is preserved but the costs incurred by the private sector are reduced. A special offline system for the registration of sales will be devised for individuals with low annual cash income up to a specific amount, which will be set in the wake of further in-depth analysis. Our amendment to the Sales Registration Act will fully reflect the conclusions of the Constitutional Court finding of 15 December 2017 that repealed certain provisions of the Sales Registration Act.

We will promote the development of the sharing economy and shared services and, nationally and internationally, we will seek an efficient organisational or legislative solution to problems associated with illegal competition by entities exploiting this area to make profits. For the sake of efficient tax stewardship, we will assertively seek the removal of the information deficit faced by tax authorities in relation to certain transactions carried out on online platforms in a given area.

We will continue to curb tax evasion and aggressive tax planning.

At EU level, we will promote measures to increase efficiency in the fight against the evasion of corporate income tax and VAT. In the implementation of these measures, we will push to make them applicable to foreign and domestic entities in equal measure.

We will revise the tax deductibility of technical provisions in the insurance sector so that tax deductible technical provisions are tied to rules set out in the EU's Solvency II Directive. This system will be more resilient to overvaluation by taxpayers because they exercise a lot less influence over the amount of technical provisions established in this way than they can with the existing procedure, which is based on the Accounting Act.

We will champion the expansion of transnational corporations' duty of notification to include exempted income, especially in the form of dividends that are transferred from the Czech Republic abroad.

We will also encourage the conclusion of additional double taxation agreements.

In addition, we will review the system of tax-based investment incentives.

We pledge to provide active assistance to working families with children via tax concessions.

We will start a discussion on changing the budgetary appropriation of taxes so that, in the redistribution of tax revenues included in municipal budgets, the number of seniors permanently resident in each municipality is also taken into account in a bid to motivate municipalities to improve the quality of services for this group of the population.

Our unwillingness to try to adopt the euro as a common currency in the coming period is mainly driven by the fact that we would lose control of our own monetary policy, and the process of nominal and actual convergence with the euro area remains incomplete, meaning that, when the exchange rate is fixed, this would engender costs – in the form of inflation – impairing the value of citizens' savings. If the common currency were to be adopted in the near future, the Czech Republic would be required to contribute somewhere in the order of tens of billions of crowns to the European Stability Mechanism. The related contingent liabilities could then spiral to hundreds of billions of crowns. Nevertheless, we will be as active as possible in the ongoing debate on deepening the economic and currency union in the EU, with a stress on steadfastly abiding by and enforcing budgetary responsibility, especially at the level of the euro area's individual Member States.

The Government will prepare an efficient and economical solution for the distribution of state employees, entailing the construction of a new administrative complex to resolve the lack of space. This will result in the termination of leases, freeing up rent and doing away with the high operating and maintenance costs of office buildings, as well as major investments in existing energy intensive buildings.

In Prague, the state has long suffered a major shortage of appropriate office space in government buildings. This is currently accompanied by the risk of high investment expenditure looming for existing technically and morally obsolete government buildings.

We will comprehensively assess the application of the new gambling regulation adopted in 2016. In response to the resulting observations, where necessary we will propose amendments to ensure the efficient regulation and administration of tax from gambling, especially online betting.

We will promote the development and increased resilience of the financial market. We will also focus on protecting the rights of financial service consumers and on the furtherance of financial literacy.

We will combat usury by regulating the cost of taking out a loan. We will keep an eye on whether the consumer is properly protected by the new Consumer Credit Act and will hold regular consultations with the supervisory authority, i.e. the Czech National Bank.

In our support of exports, we will reform the way the Czech Export Bank (CEB) and the Export Guarantee and Insurance Corporation (EGAP) work, we will fundamentally streamline them, and we will set up a new system to promote Czech exports to the level common in the EU's advanced industrial countries. The Ministry of Finance and the Ministry of Industry and Trade will work together on the functioning of these institutions and on the promotion of export policy. We will also devise a new strategy for Českomoravská záruční a rozvojová banka (Bohemian-Moravian Guarantee and Development Bank).

We will seek consistent compliance with the principle of transparency in decision-making on subsidies and public procurement. We will commit ourselves to ensuring that public contracts and subsidies are beyond the reach of legal persons and their associated entities that do not duly publish statutory documents in the Collection of Instruments.

Social policy and employment

One of the positive results of the state's social policy is the exceptionally low poverty rate, among the lowest of all European countries. We are keen to maintain the Czech Republic's position in this respect, and we also want to turn our attention to population groups that, for reasons beyond their control, have been on or close to the breadline for an extended period. We will improve the living conditions of those who are unable to improve their lot themselves. We will help those who have temporarily slipped into a dismal social situation. However, we will not allow dependence on state assistance to become a lifestyle for people who are capable of work. The authorities will focus on providing effective help on a case-by-case basis.

We will strive to improve the living conditions of seniors, and to prevent their discrimination, whatever form it takes, in access to work, education, all types of services, leisure activities, and active participation in public life. We will harness all means available to reinstate respect for the elderly, and we will try to increase the legal protection of seniors.

We will push for an amendment to the Pension Insurance Act that will increase the basic pension assessment rate to 10% of the average wage. This

will help to increase the standard of living enjoyed by people who are on low pensions, where the basic assessment rate accounts for a significant portion of the pension, without disrupting the principle of merit. We will maintain the rules on indexing, tied to wage growth and the consumer price index. The amendment to the Pension Insurance Act will add a thousand crowns to the pensions of those who reach the age of 85. We will prepare a proposal for people working in physically demanding professions to retire earlier.

We will establish an expert working team for pension reform, which will assess the proposals made to date, the prevailing situation and the outlook, and will submit a draft solution that maintains current claims, defines a standard for blanket security in old age relying on the principle of solidarity, reinforces the principle of merit, and motivates working age people to make use of all optional subsidised vehicles available for them to secure their old age.

The Ministry of Labour and Social Affairs will put forward a proposal retaining the benefits of the existing system, such as stability, a high level of legal certainty, low costs, professionalism and public-administration guarantees in the management of contributions, while separating the administration of pension insurance income and expenditure from the central government budget. The system established by the future reform must offer long-term stability, and must be readily understandable and financially secure. In this respect, the change will take a form that has broad political and social backing.

We will set rules for the formation of a social-service network to ensure high-quality, timely, locally available and affordable services structured according to client requirements. We will place an emphasis on the development of services enabling clients to continue living at home for as long as possible. We will also define standards and conditions applicable to each service. These will form a basis for fair and controlled financing, including rules on co-financing and coverage. The funding of social services will be balanced, reliable and predictable, and will draw on multiple sources. We will also find a solution to the functioning and funding of cross-sectional services that hover between health care and social care, and we will arrange for comparable professions in social services to receive higher remuneration more in line with pay in the health sector. We will support palliative care, whether in the home or an institution, including hospice care.

We will revise the legislative framework governing the functioning, competence and responsibility of the medical assessment service in a bid to simplify procedure, establish transparent rules on assessment, and fundamentally reduce decision-making time limits. We will simplify and speed up the administration of benefits that are conditional on the beneficiary's state of health with a view to enhancing client comfort.

We will evaluate changes made to the benefits systems in past years. We will pay particular attention to the set of family support benefits and measures, benefits conditional on the client's state of health, the number and structure

of state social support benefits, hardship benefits (especially the housing allowance), and benefits for the long-term unemployed. This last benefit will be granted subject to the requirement that clients actively look for work or take part in publicly beneficial work for municipalities.

Where appropriate, we will submit amendments that make benefits conditional on compliance with a particular obligation by clients, with a view to weaning them off and reducing benefits. Against this background, we will open dialogue with municipalities to discuss the functional distribution of social roles and, by agreement, we will propose changes to make work with clients truly effective. We also need to draw up the necessary legislation on social work and social housing issues, incorporating a definition of the necessary investment, personnel and operating resources. This will include clear powers and rules distributed among the various departments and between central government, the regions, and local government. Cooperation between central and local government will be digitalised and data will be shared.

We will seek to ensure that children grow up in functional families, in a setting where it is normal to work and try to find a job. Such families will receive our support and protection. As care-providing parents need to have the possibility of choice, we will encourage the development of public services for families.

We will increase the parental allowance to CZK 300,000. We will strive to provide timely support to families with children who are in need of assistance. We will maintain the variable forms of foster care, which we will develop in order to create sufficient capacity for individual family-type care so that the various forms do not compete with each other, but complement each other.

We will prepare binding rules for a predictable rise in minimum wages.

We will return employment policy to the centre of Labour Office activity. The Labour Office will be a labour market coordinator. It will actively communicate with all parties with a view to finding employment for jobseekers as quickly as possible while meeting employers' requirements. We will consistently approach clients on a case-by-case basis. We will place an emphasis on reviewing the relatively inefficient retraining system, on the broader involvement of employers in professional training, and on predicting developments and changes in the structure of occupations.

We will advocate the employment of disabled persons on the open labour market, make disabled-employment allowances and measures more effective, and introduce appropriate new legislation to prevent abuse, by certain entrepreneurial types, of the replacement system in place for employers to meet their disabled-employment quotas.

We will pay particular attention to the professional auditing of existing information systems for the functioning of critical state infrastructure, especially in the administration of insurance and non-insurance social

benefits, so that, in the medium term, we will achieve the efficient use of these information systems and the computerisation of agendas when communicating with clients and supporting the actual running of the Office.

We will devise a range of unconventional forms of work and flexitime arrangements throughout state administration. In this way, we will support the employment of parents, those who care for another dependent family member, disabled persons, seniors and other groups for whom such forms of work are necessary for them to reconcile their family and working lives. We will pave the way for the concept of job-sharing to be incorporated into the Labour Code.

From 1 July 2019, we will restore wage compensation during the first three days of incapacity at 60% of the daily basis of assessment, and we will discuss how to compensate employers for this.

In cases where the other parent fails to pay proper maintenance, we will promote legislation on backup maintenance provided by the state under clearly defined conditions.

We will make sure that, in the annual preparations for the medium-term framework of budgetary expenditure, the financing of social services remains stable.

Digital Czech Republic

The current state of eGovernment in the Czech Republic is hardly reassuring. Despite the bullish start and the promising pilot stage, the project stagnated. It made very little progress going forward and did not offer the country's inhabitants the new opportunities that had been envisaged to communicate with authorities, or provide them with satisfactory services.

Some EU Member States are streaking far ahead of us, while others have caught up with and overtaken us. New projects and services have been thin on the ground recently. At best, we have been treading water in a digital environment that is not particularly efficient. We are keen to kickstart the efficient supply of services for citizens and companies as we pursue a clear vision that extends beyond the current parliamentary term. Multiple terms will be required for complete digitisation because it is so demanding and affects so many agendas. In this respect, we are keen to embark on change and – harnessing the support of other parliamentary parties and movements and working with experts, professional associations and organisations from the private and institutional sector – to build up a Digital Czech Republic together.

This is a unique opportunity for the digital transformation of the Czech Republic. A modern Czech Republic requires a digital revolution. This entails affordable high-speed internet coverage, the interlinking of all state databases, and an electronic identity for each and every citizen. To have a properly working eGovernment is to establish a modern, fast and friendly

digital state administration that will save the government costs and citizens time. We will deliver services for citizens, entrepreneurs, companies and institutions to all computers.

Our goal is to prepare a comprehensive and forward-looking digital strategy for the Czech Republic, focusing on services for citizens. This project will include gearing up for and ensuring that the state and state authorities play an unmistakable coordinating role. We aim to enhance the efficiency of state administration, make the use of digital technologies for communication with state authorities simpler and more transparent, increase the user availability of services for all citizens and, as a result of the project's implementation, save public resources in central and local governance. The role of digital data infrastructure will also be elevated to the level of other functioning infrastructures (e.g. transport).

Another objective is to work with social partners and other entities to foster an environment supporting Czech society in its digital transformation, i.e. Society 4.0. The horizontal and cross-sectional concept of the European Digital Single Market makes coordination of the European dimension of the digital agenda essential.

The Czech Republic's priorities in relation to the Digital Single Market are the revision of legislation, new rules on the protection of copyright, the development of a European data economy and the free flow of non-personal data, the safeguarding of cybersecurity, support for cross-border e-commerce, a balanced environment for online platforms, and new trends such as artificial intelligence, robotics and the Internet of Things. This is an objective we need to pursue if we are to make significant headway throughout education, research and development, ICT infrastructure, legislation, the labour market and standardisation.

To make visible and useful changes for citizens and businesses, we must focus on and take key measures primarily in the fields of user-friendly online services, digital-friendly legislation, and the central coordination of ICT.

The changes in these areas must be coherent, accurately targeted and consulted with both the public and private sector. Close cooperation among providers of digital services in public administration and in the private sector, their ability to share ICT infrastructure, knowledge, and experience, and the capacity to grasp the needs of citizens and businesses – clients – are crucial for a qualitative move forward in this sphere.

Coordination of digitalisation

We will introduce a single Central IT Authority for state digitalisation, managed by a government commissioner for IT and digitalisation. This authority will report directly to the Prime Minister. It will serve as an umbrella for the formation of standards, the coordination of work, enterprise architecture and other activities simplifying service development for ministries. We will create a government action plan with clear deadlines

dictating when the agendas of ministries and state authorities are to be connected to Digital Czech Republic. We will concentrate the IT agenda, define basic state administration standards, and centrally manage the costs, architecture and project deliveries, with the Central IT Authority bearing direct responsibility.

The mainstay of Digital Czech Republic will be a single digital identity for each citizen, so that all state services can be accessed from the same place. In this one-stop shop, it will be possible to file tax returns, learn about the latest decrees and laws, check which government institutions have taken a look at your personal data and ask them why. One of the components of this digital identity will be a chip identity card, which already exists today.

We will find solutions to issues surrounding services such as Uber and Airbnb, and set clear rules for these platforms to ensure that they pay their fair share of tax and provide simple user-friendly access.

In order to hasten the development of digital services in the public sector, increase the flow and quality of services in the private sector, and create opportunities for certain services to be shared across both public and private sectors, we need to map out all legislation impeding the successful implementation of digital technologies, and continuously monitor newly passed legislation to ensure that it is free of further or new barriers. We will push for digital-friendly legislation. All new draft legal regulations, of whatever type, that are to be discussed by the Czech Government will have to supplement the current impact analyses with an ITIA (information technology impact analysis).

Several fundamental steps are required to set up Digital Czech Republic:

- We will complete the high-speed internet network so that it covers the entire country. It is important for the state to create conditions motivating operators to expand their networks into places where there is currently no connection. We will leverage the principle of shared services and operate them on shared infrastructure, an economically beneficial concept employed in all countries where digitalisation is highly advanced.
- Instead of convoluted, large-scale public contracts, we will hold tendering procedure for individual smaller – yet mutually compatible and interacting – parts and platforms that fit in with the overall architecture. We will make maximum possible use of shared services – not only data centres and servers, but entire agendas encompassing multiple authorities.
- We will set up a modern central state portal where it will be easy for citizens to find information and to carry out the necessary tasks. In a way that is electronic, modern and transparent.
- We will team up with experts from other political parties and movements and work together to change laws in order to modernise the state. Digital-friendly legislation must be central to the reform of our entire legal architecture.

- We will also harness the free capacity of state-owned communication networks (directly or via state enterprises) that are being built at individual ministries in order to interconnect various bodies of state administration. Citizens must have the reassurance that their internet access will not be restricted.
- We will push for the keenest possible competition on the telecommunications market, as this will push down prices and improve services. In doing so, we will draw on frequencies unlocked by the transition to a new digital television broadcasting standard. We will make this transition so that it is as sensitive as possible from a social aspect, and we will help the socially weakest groups so that no one loses the opportunity to receive free television broadcasting.
- All available and publishable data created with taxpayers' money must be published promptly and free of charge as open data. This will fuel the further development of services relying on such data.
- Ease of access to information on the functioning of public administration is one of the tenets of a modern digital state. With this in mind, we will improve citizens' access to information, including on the management of public institutions, in such a way that this information is provided in time and at reasonable expense.
- Digital Czech Republic will also benefit those citizens who do not know how to use the internet. Because all databases will be interconnected, they will be able to make all necessary arrangements at the nearest post office instead of making unnecessary trips into town. It will be possible to make online payments as a matter of course at all state institutions in the Czech Republic.

Education, science and research

The education sector is a priority for us because there is no future for a nation without quality education. By investing in our children, we are investing in our future. For us, quality education means open, accessible and professional education.

We will push for more money in education so that, by the end of the parliamentary term in 2021, the salaries of teachers and non-teaching staff are at least 150% of their 2017 level. We will improve support for teachers so that they are able to focus fully on teaching.

We will work with the founders of schools and school facilities in the regional education system to limit the superfluous bureaucratisation of this system. We will reinforce the role of head teachers as managers, especially in the management of people and the teaching process. In the regional education system, we will support the introduction of a transparent method of financing that is light on administration and is in keeping with the approved amendment to the Schools Act, including arrangements for sufficient funds to be allocated for the upcoming change in financing. In this respect, the

financing requirements specific to after-school clubs and primary art schools will be taken into consideration.

We will aim to develop every child's potential to the fullest. As things stand, this potential is stifled in particular by the high degree of selectivity within the Czech education system, with pupils being split among various education streams – usually on the basis of their family background – too early. We will revise the material and financial aspects of the inclusion policy in order to provide support to the networks of mainstream and special schools with the sustainable application of inclusive education principles.

We will ensure that there are sufficient places in nursery schools by increasing and efficiently using national and European financial resources and by improving coordination between the Ministry of Education, Youth and Sports and the Ministry for Regional Development. We will ensure that children from the age of two have a statutorily guaranteed right to childcare, taking into account the possibilities available to those establishing such services. We will also invest in teaching personnel in a bid to slash the number of children per teacher.

We will revise the framework curriculum in order to spell out the binding outputs expected of education. In the first place, we need to revisit the framework curriculum for mathematics, languages and ICT.

We will level the playing field in terms of access to extracurricular educational opportunities, resources and services (e.g. school camps) so that they can be enjoyed by all children, whatever their family background.

In secondary vocational education, we will scale up the extent to which experts in the field are involved in teaching, and we will expand cooperation between schools and businesses. We will tackle the pressing issue of the lack of vocational training supervisors. We will reduce the number of subjects taught in secondary education and efficiently link up their structure with the needs of the labour market. The aim is to enhance the prestige, professionalism and employability of those who have apprenticeships and study technical subjects at secondary schools.

We will encourage secondary-education student mobility abroad by making better use of European schemes.

We believe that public higher education is one of the fundamental pillars of the education and research system in the Czech Republic. We guarantee that it will remain free (with the exception of the clear charging of "eternal" students).

We will analyse the effectiveness and efficiency of the current model for the financing of private, faith and public schools in primary, secondary and tertiary education. In regional education, we will establish a fair system for the financing of public, private and faith schools. We will push for the efficient regulation of the schools network. We will ensure that there are ample funds

available for investment in regional education.

We will rally behind the high-quality training of future teachers, who are the sole guarantee of improvements in the education sector. We will step up cooperation between teacher training faculties and the schools where students gain experience. We will ensure that all novice teachers have access to a veteran teacher to provide them with support.

In the management and financing of the public higher education system, we will place more of an emphasis on quality and performance, while taking more account of society's need for certain professions, especially doctors, teachers, technical occupations, and healthcare professionals.

We will encourage university students to spend time abroad and will support exchanges of scientists between Czech and foreign research organisations by becoming more involved in European schemes.

The Research, Development and Innovation Council will be in charge of the analysis, budgetary policy and general coordination of all those who channel public resources into research, development and innovation so that these funds are used purposefully and without duplication.

We will set up and conduct transparent evaluations of science and research, taking account of the actual benefits for application with a direct impact on the financing of research organisations.

Transport

One of the Ministry of Transport's priorities will be to speed up the preparation and construction of transport services. We want to make significant progress in completing the backbone motorway network and bypasses on class I roads, and in improving the existing state of transport infrastructure. We will introduce computerisation into the transport administration agenda and make it easier for citizens to communicate with the authorities. We will promote freight transport's switch from roads to railways. We will speed up preparations for high-speed tracks, along with projects to improve the navigation of waterways.

We will prepare a change in our approach to construction law for priority infrastructure projects. We will amend the law on the accelerated construction of transport infrastructure and prepare a law on line construction in order to simplify the approval procedure for publicly beneficial projects, clamp down on obstructive acts in authorisation processes for transport projects, and strip away the red tape in those processes.

We will adopt rules governing the additional financing of regional transport infrastructure (class II and III roads) via the budget of the State Fund for Transport Infrastructure with a view to securing CZK 4 billion for them every year.

We will ramp up the construction of motorways on all key routes, with a specific focus on the D1, D3, D4, D6, D7, D11, D35, D48, D49, D52, and D55, and we will complete the general overhaul of the D1 motorway between Prague and Brno.

We will put 210 km of motorway into service by 2021. Of that, 110 km will be new and 100 km will form part of the modernised D1. A further 180 km of motorway will be under construction by 2021.

Towns lying on class I roads must have bypasses so that transit traffic does not pass through their centre. We will build 130 km of bypasses on class I roads to ease congested municipalities. These will include bypasses, or extensions thereto, around Slaný, Ostrava-Poruba, Hradec Králové, Otrokovice, Frýdek-Místek, Klatovy, Jaroměř, Znojmo, Břeclav, Strakonice, Opava, Karviná and elsewhere. By 2021, we will start building a key section of the Prague ring-road, the D0 511 between Běchovice and the D11. We will obtain a zoning decision for the 518 and 519 projects between Ruzyně and Březiněves, and an affirmative EIA opinion for the 520 Březiněves – Satalice project.

We will engage private investors in the construction of transport infrastructure in the form of public-private partnerships (PPPs). We will arrange for the completion and further operation of the unfinished section of the D4 motorway by implementing a PPP pilot project. We will harness the experience gained from this project to shape the procedure for further motorways (e.g. the D7, D6, D3 and D35).

By 2020, we will resolve the issues surrounding the electronic toll system for freight vehicles weighing more than 3.5 tonnes. The further expansion of this system must not be limited to fiscal targets, but should also be a means of traffic control. If, following the expansion of toll roads, we find that vehicles are circumventing the toll sections and ruining other roads, we will promote the legislative possibility for municipalities and regions to regulate transit traffic with a view to preventing damage to their roads and the structures on or near them, and preventing the risk of danger to people and other traffic on those roads.

We will make it easier for citizens to communicate with state administration when they need to register vehicles and deal with other transport-related registers. Building on an amendment that has already been made to the law, we will make sure that everyone can renew or obtain a driving licence at any authority with extended powers, without the need for unnecessary forms and their own photographs, i.e. they will not be restricted to the place where they are permanently resident. Once chip identity cards have been introduced, citizens will be able to deal with everything from home.

We will replace motorway vignettes with an electronic motorway coupon, which can be purchased via a mobile app or over the internet.

We will also place an emphasis on safety. Growing road traffic, modern and fast vehicles, and numerous other attendant influences require a greater emphasis than before on prevention and ongoing education. In this vein, we would like to focus, among other things, on novice drivers so that they are not deadly to themselves or others. We will make a push for beginner drivers to have, for example, a driving licence limited to no more than two years, and in that time they will have to complete training in order to hone their driving capabilities and skills when handling crisis situations.

The Government will introduce discounted train and bus fares for seniors over the age of 65, school pupils, and students up to the age of 26.

We will pave the way for intermodal freight transport cooperation so that the railways and waterways can provide services to road carriers. In this respect, we will draw on EU resources to spur the development of combined transport terminals. The aim is to create container hubs, ensuring that only initial collection and final delivery by freight transport takes place on the roads. Most of the transportation should then use the railways or waterways.

State-guaranteed public railway transport passengers will continue to be delivered at a cost of at least CZK 7.4 billion per annum, comprising almost 37 million train-kilometres on 28 long-distance services every year. Another of our goals is to enhance the quality of service provision and improve the culture of travel, in particular by systematically supporting the replacement of the fleet and by deploying modern information systems and technology.

We will continue to liberalise the railway market. Nevertheless, the liberalisation and introduction of competition in passenger transport on the railways should be gradual. Here, the state will allow for the fact that České dráhy is saddled with the costs of fare concessions and runs less attractive long-distance and regional services as part of its public service obligation. České dráhy, as the national carrier, must be managed efficiently and must operate as an apolitical entity.

To enhance passenger comfort, we will arrange for the repair of at least 60 major station buildings. These include the stations in Most, Prague-Smíchov and Křižanov. Idle areas of station buildings will be offered to public administration or commercial entities.

Working with municipalities, we will promote the development of parking capacities around railway stations (P&R systems). We will spur on the development of cycling infrastructure (B+R parking points) not only at railway stations, but also at bus stops.

We would like to create a single integrated transport system for public transport that is based on the principle of a single ticket and harmonised conditions of carriage, irrespective of the transport companies used by passengers on their journey.

We will continue to upgrade national and regional railway lines. This will include the electrification of important unelectrified tracks, where effective. As railways also have to be safer than they have been, not only are we keen to target level crossings, but also consider the introduction of the ETCS to be a priority. By the end of the parliamentary term, we will firmly establish the routes of planned high-speed rail tracks in regional spatial planning documentation and will move forward with project preparations. Feasibility studies will be drawn up for key lines. The priority routes are Berlin – Dresden – Ústí nad Labem – Prague, Prague – Brno – Břeclav, and Brno – Přerov – Ostrava. We will obtain a zoning decision for the rail link from Prague to Kladno, with a branch line to Václav Havel Airport. We will make significant progress in property-law preparations and, for certain sections, we will also secure building permits.

We will make headway in the creation of conditions right for navigation on the Elbe-Vltava waterway by approving the Water Transport Concept, completing EIA processes and initiating zoning proceedings for the construction of the Děčín and Přelouč weir and lock complexes.

Once the feasibility study for the Danube – Oder – Elbe water corridor project has been completed, the Government will decide how to proceed.

Defence policy and the Armed Forces of the Czech Republic

We will play an active role in the UN, the EU, NATO and other organisations in line with the Czech Republic's interests. We will push for a level playing field in cooperation between states and engagement in efforts to counter international terrorism and cyberterrorism for the protection of the Czech Republic's citizens.

We will gradually increase the defence budget so that, by the end of the parliamentary term (i.e. by 2021), it is equal to 1.4% of GDP. Funding must go hand-in-hand with well-prepared and rational acquisition projects. We undertake to submit a precise financing and investment plan for the period up to up to 2024 and beyond.

As the Armed Forces of the Czech Republic exist primarily to serve citizens, they will continue to collaborate with other units in the integrated rescue system.

We will continue to stabilise the Armed Forces of the Czech Republic and increase their budget to reflect developments in the security situation.

The Armed Forces of the Czech Republic will continue to be fitted out with domestic gear and weaponry as a matter of priority. We will make purchases from other countries without a middleman. In these cases, the technology must have been tested in active deployment. In these situations, we will also demand the involvement of the Czech defence industry. We will always act transparently.

We will make headway in the construction of defence capacities to counter hybrid threats, especially cyber-attacks, which are a fundamental destabilising factor. To this end, we will push for an amendment to the Military Intelligence Act and will continue to work with our most advanced allies in this area.

We will keep to the recruitment policy of past years, when the number of professional soldiers was increased from 21,000 to 24,000. The aim by 2025 is to have at least 30,000 professional soldiers, to add to the numbers and weaponry of the two existing brigades and, building on this, to establish further units.

We will increase the numbers of active reservists. We will continue our programme of one-off voluntary military drills.

We will revise the mobilisation system in order to enhance our mobilisation capacity and to develop the Armed Forces of the Czech Republic as a defence-capable and battle-ready army. This will include building up the corresponding reserves and supplies.

In 2018, we will start restructuring the command and control system and the structure of the General Staff. This is necessary so that we can create new units of the Armed Forces of the Czech Republic and make efficient use of budgetary appropriations.

We will push for legislation that significantly alleviates the adverse consequences of the European directive banning the possession of certain types of weapons.

We will introduce civil preparation for the defence of the state into primary and secondary schools as a separate subject.

We will hold transparent tendering procedure to modernise the air force and ground forces, including the artillery, thereby improving the Czech Republic's defence capabilities.

Within NATO and the EU, we will promote a strategy that will usher in greater involvement in the handling of the migration crisis. By this, in particular we mean playing a greater role in resolving conflicts in those areas spawning illegal migration.

We subscribe to the need for reinforced defence cooperation between EU Member States and will be involved in the Permanent Structured Cooperation (PESCO). We will place a particular stress on the urgent need for the more effective defence of Schengen area borders and the need to reform EU Battlegroups to make them more ready for deployment, and we will support the Czech defence industry's involvement in projects co-financed by the European Defence Fund.

Within the scope of the Central European Defence Cooperation, we will build on the formation of capacities to tackle any further wave of migration on the

Balkan route. This cooperation meaningfully expands the V4 concept to include Slovenia, Croatia and Austria, which is not a member of the Alliance, making it all the more important a partner within the EU.

We will maintain and deepen our traditional defence-related ties with the United Kingdom, whose army is of key significance for the defence capacities of the Alliance and Europe, regardless of Brexit.

We will organise closer and more efficient cooperation with our foreign intelligence service partners with a view to consolidating the defence of Czech citizens against terrorist attacks.

NATO membership is crucial to safeguard the defence of our country; there is no alternative. However, the security guarantees of collective defence are not to be taken for granted. As we are keen to be a dependable partner for our allies, we will credibly build up our own defence capacities and make active contributions to collective Alliance defence.

In the intelligence communities of NATO and the EU, we will work towards more efficient mutual exchanges of information. We also make the commitment to continue our involvement in peacekeeping missions and other NATO activities.

We will actively contribute to the foreign operations of NATO, the EU and the UN that are consistent with international law and the Czech Republic's defined security and defence interests.

The Armed Forces of the Czech Republic have earned an excellent reputation for their activities abroad. We will continue to support the involvement of our troops in Alliance cooperation.

In keeping with our approved mandate, we will continue to participate in peacekeeping missions and exercises in Afghanistan (Resolute Support), Iraq and Mali. We will contribute to the Enhanced Forward Presence in the Baltics, the NATO Response Force, including the Very High Readiness Joint Task Force (VJTF), and air policing, and we will help to set up robust Follow-on Forces.

Internal security and public administration

The Czech Republic is the sixth safest country in the world. One of our primary commitments is for it to remain so, despite the unsettled security situation in Europe. It is incumbent on the state to ensure people's safety. At the same time, we refuse to play a role in overstating the fear stemming from potential security risks because such provocation only stokes extremism and xenophobia.

We will strive to reduce the risks of terrorism, including Islamic terrorism, by controlling migration, countering Islamic propaganda, and combating extremism of all sorts. We will develop an integrated rescue system to deal with emergency situations and to provide protection against terrorism. To this

end, we will reinforce overall coordination of the state's security policy.

Our priority objective is to stop illegal migration and, in cooperation with other European Union Member States, not to allow the baseless system of quotas to continue because it is inefficient and divisive for Europe. We will be steadfast in combating illegal migration, smuggling, and human trafficking. On a European scale, we will seek an effective system to prevent the asylum process from being abused for illegal migration. The state must have the opportunity to terminate residence permits, withdraw visas and expel high-risk migrants.

We will actively contribute to a new system of European cooperation, which must be based on current security in the EU, while maintaining the benefits of the free movement of persons without checks at internal borders. We will push for the formation of ad hoc police units who are specifically trained for the common defence of the Schengen area. We will work with the Armed Forces of the Czech Republic to prepare a plan for the ad hoc immediate defence of the Czech Republic's state borders.

New technology intensifies the risks of hybrid and cyber-attacks. We will create a well-functioning structure to guard against and combat hybrid and cyber threats. The aim is to repulse attacks in the economic, financial, political and media fields, including hacking, and to stave off infrastructure attacks and the misuse of any data obtained in this way. We will update and implement recommendations stemming from the National Security Audit. We will demand the independent control of all intelligence services and arrange for their better coordination at government level so that the results of their work can be compounded. We will step up the cooperation of security structures across Europe.

A professional police force and fire brigade are the mainstays of internal security. With this in mind, we will financially support improvements in the quality and efficiency of operations carried out by security forces and the integrated rescue system. We will reinforce and stabilise staffing at all levels. We will increase the efficiency of the management and cooperation of the individual units, and we will make professional advancement within the security forces more attractive, in part by increasing salaries. Drawing on national and European resources, we will provide financial support to voluntary firefighting units and we will radically improve the quality of their equipment. At the same time, we will insist that they improve the quality of their work and consistently enforce the law in their operations. To this end, we will introduce a clear system for the appraisal of the work done by the management of these security units.

We will reduce the red tape and administrative burden faced by police officers so that they can concentrate on their main job, which is to fight crime and the related accompanying issues. The municipal police need to be more involved in the integrated rescue system and activities to increase the safety of citizens by cooperating with the state police. We will release crime maps

and support prevention and mediation schemes in the areas reporting the highest risks.

We will continue to espouse the right to self-defence and possession of legal weapons. We will tighten the conditions under which private security services work, and we will push for the adoption of a law on private security services so that they are under the stricter control of the state.

We will promote voluntary schemes to train citizens for crisis situations in civil defence. Citizens must know what to do in an emergency. Our emphasis is on the responsibility and ability of all citizens of the Czech Republic to respond adequately to high-risk situations without having to worry about subsequently being accused of crime.

We will simplify voting rules to give citizens easier access to elections (including the introduction of postal voting and the scrapping of local residence for the issuance of polling cards). We will seek to streamline Senate elections by introducing a single-round system.

We will publish all existing contracts concluded by each central administrative authority, evaluate how beneficial they are and publish all newly concluded contracts. We will push for an amendment to the Contracts Register Act. We will try to expand the powers of the Supreme Audit Office to territorially self-governing units and publicly owned companies.

We will streamline public administration, and review and adjust competences in relation to self-government, which will remain under the Ministry for Regional Development, where appropriate with the shifting of competences from the centre to the regions and municipalities. We will initiate the reform of the long-standing system of municipalities with extended powers because, in terms of catchment areas and commensurability, it is out of step with the situation today. In the future, this system could be an umbrella for cooperation between municipalities in catchment regions and serve as an informal link between regional and municipal self-government.

Citizens must have the opportunity to communicate with the state electronically via a citizens' portal, should they so wish. We will introduce an electronic ID as a key for citizens to access electronic services and to concentrate applications for ID cards, passports, and driving licences in one place. We will make it possible to submit applications electronically and to pay by card in the public administration system.

We will improve and upgrade the services provided by Česká pošta (Czech Post). Česká pošta must expand the availability and efficiency of its services even in smaller municipalities, not only by providing traditional forms of service but also – and in particular – by drawing on the new digital forms of optimised processes in line with the dynamically evolving needs of the population. In this way, it must become the state's main partner for communicating with citizens. In accomplishing this mission, Česká pošta must become an attractive, sought-after and efficient employer.

We will evaluate the scope and efficiency of the activities carried out by state authorities and institutions and we will make the necessary organisational changes so that spending on the running of state administration is efficient.

We will draw up and push through an amendment to the Service Act. The civil service must be open to external experts. We need to sweep away bureaucratic obstacles to the recruitment of educated and motivated workers. We will review the administrative intensity of the entire system and organise more flexible rules.

We pledge to clamp down hard on corruption. Where state officials are shown to be corrupt, we will push for them – under criminal law – to be stripped of all their benefits, accompanied by a ban on working for the civil service in the future or being a member of the governing body of a legal entity in which the state has a participating interest.

Law and justice

We believe that a core value of our social fabric is the idea of a Rechtsstaat (legal state) based on respect for the constitutionally protected principles of the separation of powers, the rule of law and the protection of fundamental rights and freedoms. Whatever action we take, we will always abide by and strengthen these principles. Law and justice are foundation stones of the rule of law. Citizens' trust in the courts and public prosecutor offices is contingent on the efficiency of the rule of law. Law must be predictable and enforceable.

In the legislative arena, we will strive for the stability of the legal system. The quality of newly adopted regulations will be of the essence.

- In our lawmaking, we will improve the quality of ministries' legislative departments, introduce the professional training of legislators, and strengthen the way the Government Legislative Council is organised.
- Where the preparation and implementation of laws extends beyond the term of a single government, we will introduce a special method of expert preparation, backed by the Government Legislative Council, with a precise timetable for debate, approval and implementation. Examples include amendments to the Constitution, changes in the competence of ministries and other central bodies of state administration, changes to the pension system and the simplification of benefits systems, changes within the judiciary and public prosecutor offices, and the preparation of new procedural regulations for courts.
- We will complete legislative work on the new Code of Civil Procedure and the new Code of Criminal Procedure, with a stress on better quality and faster proceedings and on the development of law and justice. This will round off 25 years of re-codification work.
- As part of the new civil procedural legislation, we will table a law on collective actions.

- We will submit a new law on experts.

In the judiciary, while strictly respecting the independence of judges and public prosecutors, as well as international recommendations in this area, we will work towards improving the quality of their activities:

- We guarantee the pay of judges and public prosecutors, with no intervention by the executive, as one of the conditions of the judiciary's independence.
- We will promote career rules for judges and statutory conditions for the selection of judges as a guarantee that professional motivation will be maintained and as an anticorruption measure.
- We will arrange for improvements in pay assessments of the administrative apparatus and other expert machinery in place at courts. Our aim is not just for judicial administration to function, but also for its quality to be improved.
- We will table changes to public prosecutor offices so that the administration here is more effective and so that the prosecutors have greater responsibility.
- We will continue to computerise the judiciary with a view to simplifying activities, speeding up proceedings and cutting costs.

In the field of enforcement, we will consider whether it would be appropriate to be feasible to introduce alternatives facilitating the introduction of the principle of one debtor – one enforcement officer, in the form of enforcement officer territoriality or the concentration of all enforcement orders against the same liable party with a single enforcement officer. We will introduce protected accounts or another effective solution ensuring that, following enforcement in the form of wage garnishment, an unseizable amount cannot be targeted a second time by an enforcement order imposed on the liable party's bank account.

We will take action for the effective enforcement of the statutory ban on usury. We will root out practices that saddle children with debt and impoverish the poor. We will push for an amendment to the Insolvency Act that will remove the condition of 30% creditor satisfaction in order for debt relief to be permitted, and indebted seniors and children will receive special protection.

We will submit a constitutional law on national referendums. Nevertheless, we respect the representative democracy enshrined in the Constitution, hence we will not allow laws to be passed and decisions on international commitments to be taken by means of a referendum in this Government's term of office.

We will continue to combat corruption in all areas. In this respect, we will systematically coordinate the fight, assess the efficiency of the anticorruption measures already adopted and implemented, and propose any appropriate

amendments thereto. In this context, we will submit, in particular, effective legal instruments to protect whistleblowers and a law to regulate lobbying, based on international recommendations.

Following the example of certain European Union Member States, we assess whether to expand the powers of the Customs Administration of the Czech Republic in criminal proceedings concerning fiscal and related crimes, and give it the power to conduct investigations. The powers of the Police of the Czech Republic in these fields will not be affected.

We will push for a consumer code that spells out stridently and transparently the rights and obligations of consumers and businesses, while reinforcing consumer rights. We will introduce the requirement for consumer contracts made by telephone to be confirmed in writing.

Foreign policy and the European Union

The Government's foreign policy will be confident, active and comprehensible. Its mainspring will be the championing of Czech national interests. Only a foreign policy like this can strengthen the security, prosperity and legal and democratic nature of the Czech Republic and peacekeeping in Europe. We are and will remain integral to Europe's geography, economy, civilisation and values. Our foreign policy will be based primarily on our EU and NATO membership. It will essentially build on the policy pursued by previous governments, including from a conceptual perspective, but it will respond more boldly, proactively and more flexibly to current foreign-policy problems and threats, such as legal migration en masse and terrorism. The Government will try to achieve a broader domestic consensus on foreign policy.

The Czech Republic's European Union membership and the promotion of its interests within the relevant bodies are a priority for the Government. The Czech Republic must be viewed as an active and respected Member State.

EU reform is a precondition if we are to restore the trust of the Union's citizens in the European project. The Czech Government will actively engage in the debates on this reform. The European Union must do less, but much better. It must put a stress on reinforcing the role of Member States and the European Council, and on generally strengthening the principles of subsidiarity and proportionality. We will push for greater use of Union instruments and policies to pursue the convergence of wages, standards of living and social standards across Member States.

The EU, its institutions and Member States must be capable of securing the EU's external borders, combating terrorism and radical Islamism, and effectively defending themselves against cyber-attacks.

Europe must remain cooperative, integrating on a voluntary basis without discriminating the countries that are not members of the euro area. European funds must not be leveraged as a means of bribing Member States who

entertain different views on certain Union policies. Discussions and dialogue should be the preferred way forward if there are any misgivings regarding democratic deficits in certain Member States.

The individual EU Member States should definitely be left to decide on refugees (resettlement) on their own. The same applies to decisions on what immigrant structure to accept from the perspective of their economic needs and requirements. It must not be left in the hands of smugglers to decide what EU countries refugees will go to. This is a matter for sovereign states, acting on the strength of the joint agreement/consensus of EU Member States. We will seek to change the rules of the Common European Asylum System (CEAS) in a way that discourages the abuse of asylum rules to gain illegal entry into Europe, but that will allow the system to be preserved for those who genuinely need protection. The Schengen borders must not be porous for illegal immigration. They need to be properly guarded. The EU must create defence and protection mechanisms so that it can respond to any sudden deterioration in the situation. This is the only way that we can maintain one of the key privileges of the European space: the free movement of goods, persons, services and capital.

Reflecting our humanitarian traditions and international commitments, we will mainly support solutions to refugee issues through action in the countries of origin and in the countries where refugees first seek refuge. We will be calling for the EU and NATO to be more decisive, and we will make active contributions to such an approach.

We will strive to increase the share of Czech representatives and citizens in EU institutions and bodies. We will keep the public informed of our activities and the key issues we are embracing within the EU more actively than in the past.

Within the EU, we will strive to forge pragmatic alliances and groupings in order to promote our national priorities. Sound communication, cooperation and coordination with leading European players, especially Germany and France, is a must. Our strategic partnerships here are a suitable vehicle. Notwithstanding Brexit, the United Kingdom will remain a very important partner for us, especially from the point of view of economic exchange and security.

The Government will maintain and further develop our exceptionally good relations with Slovakia. We believe that the V4 is a significant and important platform for cooperation and the formulation of common positions. Both Poland and Hungary are important partners for us, not only from the perspective of EU and NATO membership, but also on a bilateral level. We wish to make further progress in our relations with Austria, both bilaterally and within the Austerlitz format.

The transatlantic link is the most important security, trade and value-based relationship for both Europe and the US. NATO is the backbone of our security

policy. The Government is keen to develop cooperation with the US primarily in the fields of defence, security, trade, investment, and science and research. Likewise, we will build on our traditional friendship and strategic partnership with Israel. However, we will also keep seeking a peaceful solution to the Palestinian issue in keeping with the resolutions of the UN Security Council and international law. We will advocate the gradual integration of the Western Balkans into the EU as this will help to stabilise a sensitive region in the future. The Eastern Partnership, and in particular the cooperation with Ukraine, is also important for the Czech Republic.

The top priority is to keep the peace and, therefore, to guarantee that international law, the United Nations Charter and resolutions of the UN Security Council are upheld. Within the EU, we want to be much more active in debates on future relations with the Russian Federation in an effort to find universally acceptable solutions that will reduce tensions in Europe. In terms of underpinning stability and trust within Europe, we will rally behind the active role played by the OSCE and support the Czech candidacy for the chairmanship of that organisation. With China, our aim is to establish balanced and mutually beneficial relations deriving from agreements that respect the rules of international trade. We will endorse the further development of relations with Japan and South Korea. We will develop trade and political relations with other countries in Asia, Africa and Latin America.

Czech foreign policy will include an emphasis on respect for human rights. To this end, we will capitalise on our membership of the UN Human Rights Council in 2019-2021.

We would also like to be active and more efficient in development cooperation and humanitarian aid. The Government will push for the improved targeting of humanitarian and development assistance instruments to tackle the migration crisis by providing this assistance in the countries from which migrants are flowing into Europe. This outlay on foreign assistance can rightfully be regarded as a way of boosting the Czech Republic's security.

We will continue to rally behind multilateral international groupings such as the UN, the WTO, the World Bank, the International Monetary Fund and the OECD. These institutions are crucial in terms of the global approach to security issues (nuclear matters, migration), as well as issues related to the economy, development and the environment. We will consider accession to newly formed institutions, such as the AIIB.

In our external trade policy, we will develop pro-active economic diplomacy. This will prove instrumental in promoting Czech economic interests. Exporters will have our backing as they search for new business opportunities. We will help them to maintain a presence on their existing markets and we will protect their investment projects abroad. We will reform all existing foreign offices and agencies to improve their efficiency. This will include changes to the competence wielded by individual ministries and a personnel audit.

Finally, we are keen to restore the mechanism of regular meetings where the Czech Republic's highest constitutional bodies can discuss foreign and security policy.

Culture

We consider culture to be a factor of paramount importance for the healthy development of society. It has a fundamental impact on all aspects of society. Culture, in all of its diverse forms, plays a key role in how the image of Czech society is formed abroad. Cultural expression and artefacts are part of our cultural heritage and reflect the fundamental values of a society steeped in the European Christian spiritual tradition.

As creativity is the mainstay of our society's competitiveness, we will support its development, especially among the youngest generation, via participation in art and cultural activities.

In our cultural policy, we will respect and develop the plans and measures set out in the State Cultural Policy 2015-2020, with an outlook up to 2025.

We will increase the budget of the Ministry of Culture.

Considering the crucial role that culture plays in the development of democratic society, we will increase pay in the public cultural sector by the end of the parliamentary term in 2021 so that it is on a par with the salaries of state employees in education and social services.

We will work towards the greater efficiency and transparency of grant proceedings, including public checks on the use of the funds allocated. We will focus on simplifying the agenda and on the electronic processing and evaluation of applications, so that the administrative burden on the applicant is as light as possible.

Working with the Ministry of Culture and the Ministry of Education, Youth and Sports, we will devise a grant scheme to support art and creative education.

We will continue to support projects in all areas of cultural life in the regions via the grant schemes run by the Ministry of Culture. As far as the central government budget allows, we will gradually scale up the allocation of financial resources in the individual schemes, both for live art (including the regional network of theatres and orchestras) and for monument care or memory institutions. In cooperation with professional organisations, we will

revise their current form and prepare new schemes. We will also concentrate on streamlining the State Cultural Fund.

Organisations partly funded from the public purse that have been set up by the Ministry of Culture are traditional cornerstones and showcases of Czech culture. We will respect their expert sovereignty and artistic and creative freedom, and we will prove versatile in promoting their activities. We will continue to invest in improvements in the quality of their workplaces. It is essential to complete the renovation of the historical building housing the National Museum and the State Opera building, and the renovation and rehabilitation of the Clementinum. We will focus, among other things, on significant investments, such as the rehabilitation of Invalidovna (*Hôtel des invalides*) in Prague, the Memorial to the Roma Holocaust in Lety, the Railways and Electrical Engineering Museum at Masaryk Station in Prague, and the Museum of Central European Art in Olomouc. We will also concentrate on enhancing the efficiency of their organisational and economic agendas. We will create rules governing the selection of directors for these institutions, under which we will primarily respect expertise and reputation. We will prepare a law on public cultural institutions as an alternative to the existing organisation that is partly funded from the public purse.

We will prepare a long-term scheme of investment aid and co-financing for cultural infrastructure projects that will make it possible to establish new cultural facilities providing public cultural services (concert halls, theatres, libraries, exhibition halls, museums, galleries, etc.) across the country, chiming with contemporary world trends and standards. We hail the Janáček Cultural Centre in Brno, the new Moravia-Silesia Science Library building in Ostrava and the Gallery of West Bohemia in Plzeň as pilot projects benefiting from national and European grant schemes. At the same time, we will also back projects providing care for cultural heritage, such as the rescue of the Terezín conservation area, the rehabilitation of the Imperial Baths in Karlovy Vary and the Museum of Totalitarianism in Uherské Hradiště.

We will arrange for the digital mapping (surveying, photography and research) of the most valuable national cultural monuments. We will prepare a new law on state monument protection and will focus on the system in place for the export of antiques so that these rules are consistent with actual needs and requirements for the protection of our cultural heritage in accordance with modern European legislation.

We will focus on improving and expanding forms of international cultural cooperation and on exports of cultural projects. We will propose measures to support the mobility of artists and art institutions. We will concentrate on broadening international relations by fostering bilateral and multilateral European and global relationships, with a stress on our traditional bonds (e.g. the V4). The way we present our cultural heritage, whether inherited or in the process of being created, will be interlinked more intensively with tourism.

We will draw up an amendment to the Copyright Act in order to implement the forthcoming EU directive on copyright on the digital single market and, after consulting professionals, we will prepare further copyright changes in response to developments in new technologies and the role they play in the communication of copyrighted works to the public.

We will pay attention to changes in the audiovisual sector with a view to the provision of cultural, societal and social services. We will preserve existing legislation on the status of the public-service media. We will rigorously support its independence.

The agenda of churches and religious communities will remain within the remit of the Ministry of Culture, with the exception of payments of financial compensation and contributions to their activities, which will be transferred to the Ministry of Finance.

Health

We want to have a high-quality, modern and financially stable public service for citizens. The health service must respond to present-day threats, i.e. a major rise in the incidence of chronic disease and population ageing.

We will reinforce the transparency of the health sector and the status of patients throughout the system, but in doing so we will not increase the amount they are required to co-pay. We will clarify the role of the various stakeholders in the health sector and reinforce insurance companies' responsibility for organising the services they cover. As it is impossible to overhaul the health service in a single parliamentary term, we will consult all fundamental steps to be taken in this sector with the opposition in a bid to reach the maximum possible consensus.

We will start openly publishing data on the management of the Ministry of Health and the hospitals it directly manages. All decision-making by Ministry of Health committees will also be transparent – all of their decisions will require due justification and will be published in a manner facilitating public access and general inspection, including publication on the internet.

We will introduce clear methodological rules on kickbacks for directly managed hospitals. These kickbacks must always be underpinned by contracts, duly accounted for, and used exclusively to pay for health care.

We will draw up a law on the regulation of medical devices covered by insurance, a review of medical treatment fees and the system for the pricing and payment of drugs so that it is more flexible and so that life-saving medicine with demonstrable patient benefits, and medicine that will extend life or improve the quality thereof, is available for patients more quickly.

We will devise a new concept for the way that health insurance companies operate. We will consider whether to reduce the number of health insurance companies. We will push for the contractual network and its financing to be

revamped in order to increase the availability of care, especially in the regions, and to expand and enhance care, particularly outside of working hours, in the medical on-call service and inpatient emergency service. In organising the network of health service providers, we will strengthen the role played by the Ministry of Health, restrict the concentration of health services in metropolises and push for more uniform distribution in the regions.

We will prepare a law on the computerisation of the health sector and secure data-sharing among healthcare providers. We will amend legislation to facilitate the blanket use of electronic prescriptions, along with checks on drug interactions and patients' overall prescriptions.

We will introduce a system to control the quality of care that is based on parameters facilitating the comparability of health service providers, which we will use to start conducting systematic measurements. We will promote financial incentives for providers to improve the standard of health care. Patients will have access to information on the quality of care.

We will concentrate on improving the management of hospitals that fall within the remit of the Ministry of Health. We will introduce the central procurement of medicinal products and other materials. This will be based on value for money. We will submit legislation to streamline the management of faculty hospitals and cooperation with universities. We will expand the competence of general practitioners, thereby intensifying the use of primary care and broadening the range of services covered, e.g. outside of working hours. We will back a change in the way tendering procedure is conducted, using criteria that can strengthen the opportunities for contractual relations with health insurance companies in areas with inadequate facilities. Furthermore, we will promote healthy lifestyles and prevention, as well as systems to reward those citizens who take care of their health.

We will support programmes to coordinate the care of chronically sick patients and will strive to move ahead with the reform of psychiatric care. We will prepare a concept of long-term care and, working with the Ministry of Labour and Social Affairs, we will deal with social and health boundaries and the financing thereof, in a bid to channel maximum support into home care and other outpatient forms of care.

We will introduce a transparent system for the inclusion of new technologies and procedures in public health insurance coverage. This will be based on health technology assessment (HTA) principles. The aim is to assess cost-effectiveness so that public health insurance covers only resources that genuinely benefit the patient. We will encourage the efficient and demonstrable use of costly instrumentation.

We will complete the review of the coverage of diagnosis-related group (DRG) health care and introduce further coverage incentives so that money is steered more towards the patient. Until they are rolled out, we will pressure health insurance companies to balance out the base rates for procedures.

We will concentrate on improving health professionals' working conditions. We will prepare a clear definition of young doctors' skills and competence, and introduce a system for the ongoing evaluation of institutions that train doctors. We will pave the way for an increase in the number of students at medical faculties and we will provide assistance in the financing of their studies. We will also encourage the training of mid-level health professionals.

We will push for gradual increases in salaries in the health sector.

We will revise and simplify the administrative burden faced by health service providers and scrap unnecessary regulations that benefit neither the doctor nor the patient. We will take steps to unify and computerise medical records and other documents related to costs and patient care.

In its handling of addictions, the Government will push for measures – both in the enforcement of the law and in demand control – that will reduce damage and risks associated with substance and gambling addiction. When tackling addiction-related issues, the Government will employ a national policy based on scientific knowledge and relying on the balanced application of supply control and law enforcement on the one hand, and demand control on the other (i.e. prevention, treatment and the social inclusion of addicts).

Industry and trade

The current trend of digitalisation and the attendant automation of production and changes in the labour market are a major challenge for the whole of the Czech Republic. In this respect, the Ministry of Industry and Trade will be the lead coordinator of Industry 4.0 and Society 4.0, intended to ensure that Czech industry intercepts modern trends in industrial development around the world so that prosperity and employment are not compromised in our country. We will work closely with the business, scientific and research communities to implement the Industry 4.0 project and smart projects in the energy sector. We will run an analysis of the effects that robotics might have on domestic industry. We will also push for the implementation of all Technology 4.0 in the construction industry, e.g. by drawing on building information modelling (BIM), drones, virtual reality, robots, smart buildings, the cloud, GPS and 3D printing.

Small and medium-sized enterprises are an irreplaceable fixture in the domestic economy. They are also the main driver of current economic growth. The Government will take further action to minimise the administrative burden faced by businesses. Our response will be to encourage the concentration of electronic communications between the state and businesses into a single place. We will seek to harmonise the time limits in place for the effect of legislative changes, and we will make sure that statutory deadlines must be respected not only by businesses, but also by state authorities. Businesses will receive free and transparent information on the obligations incumbent on them under applicable legislation, and on all business support vehicles offered by ministries and state agencies.

The Government will ensure that Českomoravská záruční a rozvojová banka has more capital to finance, in particular, small and medium-sized enterprises and their development.

For the sake of competitiveness, the Czech Republic – as an open export economy – needs to make its export support as efficient as in comparable European countries, especially in territories offering high potential for Czech industry, for complex turnkey projects and for investment projects requiring specific financing or an export guarantee from the state. These conditions are currently commonplace on key markets so, generally speaking, it is virtually impossible to succeed in the face of keen competition without fundamental intervention by the exporter's state.

The most important element of these changes must be the reorganisation of state-supported institutions such as the CEB and, in particular, the Export Guarantee and Insurance Corporation (EGAP). The implementation of such extensive projects is inconceivable without these institutions' active and flexible assistance. This active approach is essential to maintain not only the capacity of Czech industry, but is also an opportunity to make a major contribution to higher exports of equipment with high added value and hence to preserve employment and the growth of the Czech economy. We will review investment programmes to save on jobs and promote holistic automation projects. We will make CzechTrade and CzechInvest more efficient and will provide direct support for specific projects and Czech enterprises on markets and at exhibitions abroad. We will provide investment incentives only in exceptional and justified cases. Such incentives will be available for projects offering high added value or situated in structurally backward regions.

The Ministry of Industry and Trade will be a ministry not only for business, but also for the public. Dishonest traders are switching to the internet and employing new business methods. In these new conditions, we will rigorously protect consumers via the Czech Trade Inspection Authority, the Assay Office and the State Energy Inspectorate. In communication with citizens, we will support the expansion of the high-speed internet, thereby saving them time and money.

Our fundamental priorities in the energy sector are energy security, self-sufficiency, environmental friendliness, competitive and socially tolerable prices for electricity and heat, and their unrestricted and safe supply to all customers. Electricity will be generated by a mix of resources, relying on a growing proportion of nuclear power and renewable sources, with a gradual reduction in the role played by coal-fired power stations. We will prepare for the construction of new nuclear units in accordance with the applicable State Energy Concept Update. This will include a definition of the model for financing and construction within the necessary timeframes. We will also pave the way for the construction of a permanent underground radioactive disposal facility. We will seek to improve the energy performance of public and private buildings with thermal insulation, the use of energy-efficient technologies and

appliances, decentralised renewable sources, and smart energy projects, such as smart regions, smart cities, smart networks and intelligent households.

We will simplify conditions for small-scale producers generating electricity from renewable sources for their own consumption. We will analyse overcompensation, especially in relation to larger-scale solar power plants, in a bid to scale down prohibitively high payments for existing renewable sources. With new renewable sources, we will mainly encourage the local production of electricity or heat with as much consumption or accumulation as possible at the point of production, i.e. with no further operating subsidies. We will keep to existing mining boundaries for brown coal.

We will earnestly defend the state's ownership, economic and environmental interests in the use of mineral deposits in the Czech Republic, especially strategic resources. We will explore the possibility of mining and processing lithium through the state enterprise DIAMO. It is our aim for the outputs from the extraction of all mineral resources to remain in the hands of the state as much as possible. In this respect, we will revise the Raw Materials Strategy of the Czech Republic shortly. After this, we will review the relevant legislation, especially the Mining Act and the Geology Act. This will include a hike in charges for the mining of certain types of minerals so that they reflect the changing market conditions and provide the state with maximum benefit. We will also arrange for a higher share of the mining charges to be channelled into those regions ravaged by mining operations.

The Government believes that improvements in the uptake of European Union funds and their efficient use are a key priority. We will encourage the use of modern digital technologies in industry and the energy sector. We consider digital infrastructure to be just as important as transport or energy infrastructure. With this in mind, we will fundamentally speed up the installation of the high-speed internet and make as much use of European funds as possible in doing so. We will prepare a law on the right of every citizen to have internet access. If we want to build a modern digital state, citizens must have the reassurance that their internet access will not be restricted.

In response to the requirements of the business community, we will simplify, demystify and speed up the entire system for the granting of work permits to foreign workers, especially where such workers are needed and Czech citizens are not interested in the vacancies available. At the same time, we will make sure that there is no increased security risk in the Czech Republic.

Public investments, regional and local development

Regional and local development tends to encompass quality of life, the availability of public services, ample work, a decent environment, and prospects for young people. Local development depends on municipalities and regions having the resources they need to achieve this. The Ministry for Regional Development should be the closest partner for regional and local

government, and we are keen to transform it into the new concept of a ministry overseeing public investments.

Public investments

We will create a single body responsible for public investment. Setting up this one-stop shop for a public investment system, methodology, implementation and monitoring will result in objective recognition of the current situation. It will also be possible to carry out efficient updates and decide on priorities in this area. We will prepare a strategic investment plan for the country. We will run an inventory of upcoming investments. We will combine the analytical resources of individual ministries so that the plan is binding for fundamental investments. This will include the securing and sustainability of resources.

We will transform the State Housing Development Fund into the State Investment Fund (SAF). Besides the housing support provided by this fund, we will expand its activities into regional development and rural support (support for municipalities' strategic investments in the modernisation of public spaces in built-up areas, the regeneration of brownfield sites, local roads and tourism). We will support and speed up construction in the Czech Republic. We will push for the re-codification of public construction law and we will simplify and shorten the construction project preparation process in order to increase competitiveness.

We will deliver high-quality methodological and professional support to municipalities and regions for proper public procurement. In particular, we will simplify small-scale public procurement, e.g. by increasing statutory limits so that contracting entities in an area are able to incorporate further criteria for the evaluation of bids, i.e. without having to rely merely on the price criterion. We believe that this step will support the business community, and small and medium-sized enterprises in particular.

Regional development and European funds

We will prepare a uniform model for the administration and presentation of land-use plans. This will make them easier to decipher for citizens and public administration, and will allow for their mutual coordination.

National subsidies will be more coordinated – we should be looking to fill “white areas”, i.e. areas where it is impossible to seek assistance from European funds. We will scrap ineffectual subsidy schemes. We will plough the money we save into strategic and development projects in the area, or into boosting subsidy schemes sought by partners. We will back the Smart Cities concept.

We will draw up a coherent Rural Development Concept to unify rural support and development under the management of the Ministry for Regional Development. We will encourage cooperation between municipalities as they tackle problems faced by rural areas. We will maintain partnership principles

by drawing on the LEADER approach.

We will restore the national subsidy scheme for structurally beleaguered regions. This will encompass not only areas established by government decree, but will also support affected areas – defined by the boundaries of municipalities with extended powers – on the basis of specific statistics. Support must be consistent with the Regional Development Strategy 2021+. As one of the instruments available to us, we will promote cross-border cooperation with surrounding states as a major source of finance for parochial and outlying regions.

We will devise a long-term interministerial means of supporting business in the countryside with a view to maintaining rural businesses and services. The aims of supporting all-round rural development will include the introduction of incentives to employ workers in small or underdeveloped municipalities, the expansion of high-speed internet, and assistance for family businesses.

We will pave the way for the successful and meaningful exhaustion of schemes in the 2014-2020 period in tandem with municipalities and regions. An emphasis should be placed on projects delivering the greatest value added, including education and the building of public infrastructure. Within the EU, we will actively push for the simplification of uptake conditions for European funds after 2020. We will seek support for areas reflecting the genuine needs not only of the state, but also of the regions and municipalities.

New operational programmes must primarily accommodate the most serious problems and needs of the Czech Republic and its individual parts. Working with territorial partners, we will focus on integrated solutions to support the socio-economic development of regions, towns and the countryside.

We will support a strong urban agenda with a stress on integrated approaches. We will actively promote partnerships between towns under the EU Urban Agenda.

Housing policy

We will revisit our concept of housing policy, the main guarantor of which must be the Ministry for Regional Development. The Government will strive to modernise legislation on the activities of homeowner associations and housing cooperatives in order to guarantee their members' ownership rights. We will push for an increase in funding for housing construction in the Czech Republic, with an emphasis on supporting affordable rental housing for seniors, young people, the disabled, single parents and those on low incomes. We will also support the continuation of subsidy schemes intended for the development of technical infrastructure, the renovation of prefabricated buildings and the rehabilitation of housing estates.

The Government will prepare a law on social housing to address the needs of those who are on the verge of homelessness and find themselves on the margins of society. This law will shape the conditions required for municipalities and combine the provision of social housing with systematic social work and pastoral care. It should also give municipalities the authorisation to demand that investors, when building new housing, incorporate a specific proportion of low-cost units.

The Government will prepare a new law on real estate brokering in order to stem unfair practices in real estate, thereby protecting consumers as effectively as possible.

Tourism

We will organise the thorough support and promotion of domestic output, traditional products and dishes, and the use of local ingredients in food, with an emphasis on hotel and catering services, including media coverage.

Tourism must be accorded a more dignified status in view of its importance for regional development and the national economy. This will entail the creation of a separate section at the Ministry for Regional Development. In our amendment to the Competence Act we will strive to enhance the quality of human resources as a key factor in innovation processes. We will streamline the collection of local taxes in order to motivate municipalities to reinvest this money in tourism. We will merge the tax on accommodation capacity with the recreation and spa tax. We will bolster the subsidy scheme for the marketing and building of infrastructure for tourism.

We believe that the establishment of statutory rules on the safe movement and stay of visitors in the mountains, whether in the summer or winter, should be a priority. This will also include a definition of the status of the Mountain Rescue Service as a further component of the integrated rescue system, including training for its staff.

Agriculture

One of the Government's priorities will be to consolidate the position of Czech farmers and food producers and their interests within the European Union's common agricultural policy after 2020. In particular, we will be targeting fair conditions, with an emphasis on measures to tackle key problems faced by the Czech landscape and people living in the countryside.

- From the Government's perspective, fair conditions for the Czech Republic comprise the following:
- We will work towards preserving, at the very least, the current amount of the common agricultural policy's financial envelope for the Czech Republic. This includes minimising the impacts of Brexit on the common agricultural policy's financial envelope, with particular consideration for the Czech

Republic;

- A comparable level of subsidies across the EU for farmers and food producers, with no artificial reductions in financial support for genuine producers on account of their size;
- The fair functioning of the single market, with clear limits on the national subsidies granted for primary agricultural production and the processing of agricultural commodities in order to prevent unfair competition – via national budgets – between Member States;
- At EU level, legislatively curb unfair commercial practices applied by retailers against farmers and food producers;
- Across-the-board food quality for EU citizens, i.e. not two levels of quality, in order to eliminate practices by business entities to create “second-class” markets and citizens in the new EU Member States;
- We will be steadfast in protecting agricultural land. The Government and the Ministry of Agriculture will take action to restrict soil erosion and degradation, and increase the content of organic matter in the soil, including support for precision agriculture that is environmentally friendly.

We want to be as self-sufficient as possible in the production of the broadest possible range of staple foods, and to ensure that our citizens have high-quality, safe food.

We will seek a balanced structure of subsidisation measures under agricultural policy for all types and sizes of farming entities. We will oppose the capping of subsidies for medium-sized and large businesses. We will also support higher subsidy payments for small farmers.

We will lighten the administrative burden for all farmers and food producers.

We will increase payments for livestock production and sensitive plant commodities, such as fruit, vegetables, hops, potatoes, and sugar beet, to the detriment of area payments.

We will create a systemic instrument that will help farmers to weather uninsurable events, such as drought, in the form of a Fund of Hard-to-insure Risks.

By investing in the food industry with European and national resources, we will balance the agricultural external-trade deficit. We will maintain and increase the competitiveness of the food industry by making efficient use of subsidies for innovation and improvements in the efficiency and safety of food production.

By promoting livestock farming, we will improve crop rotation on agricultural land and increase the levels of organic matter in the soil, which will make it much more capable of attracting and capturing water.

We will support measures to mitigate the adverse effects of hydrological extremes. The Government also aims to encourage the retention of water in

the landscape and in reservoirs and ponds that is used for farming and energy and to sustain life in the countryside. We will simplify the permit procedure for the construction of small reservoirs and the restoration of defunct reservoirs. We will push for the establishment of a national strategy for the management of water and water sources, including the retention of water in the landscape and flood control.

We will promote research, development and innovation in relation to Agriculture 4.0 (smart farming), food-processing and forestry, including the sustainable management of natural resources in the form of precise procedures, sustainable agricultural production, while reducing the impacts on the environment and the climate, and the production of high-quality and safe foods.

We will back applied research and intensify the transfer of the results of research and development into practice. They will be applied immediately in the form of innovations with a positive economic impact that cuts costs and boosts productivity. To this end, we will promote the establishment of new, and the development of existing, food innovation centres and platforms.

We will draw up measures to prevent the further grabbing of high-quality farmland. This will include support for preferential construction on brownfield sites or the obligation to deliver replacement reclamation.

The amount of support from national subsidies that is channelled into livestock production and sensitive plant commodities will be kept at least at the same level as it is now.

We will push through the requirement for farmers to report sales of farmland.

The Government will guarantee the non-transferability of Budějovický Budvar n.p., the Povodí companies, and Lesy České republiky. We will take practical measures to improve the protection of forests, especially coniferous woodland, which is currently in grave danger due to the repercussions of climate change. We will draw up a clear long-term concept for the state forestry policy and hunting policy. These will be consistent with the needs of the state, its citizens, and the related industry and agriculture. They will be in symbiosis with the cultural landscape, nature, and the natural regeneration of forests. This strategy will mainly be in the competence of the Ministry of Agriculture and, via this ministry, Lesy České republiky and the Forest Management Institute.

We will steadfastly insist on the efficient use of timber with the support of Czech manufacturing. We will also promote the expansion of woodland by introducing the afforestation of land that cannot be used for farming.

The targeted coordination of supervisory authorities will guarantee the highest standards of protection for Czech consumers, especially in relation to imports of poor-quality food. In this respect, we will focus on food safety and standardisation. We will promote and develop the introduction of quality

systems.

We will ensure the thorough implementation of the law on significant market power and abuse thereof, and the equal status of domestic suppliers in retail networks.

Environment

The Czech Republic can boast a diverse landscape and breathtaking nature. We are keen to take care of it responsibly so that we can pass it on to our children in a better condition than that in which we received it.

In our opinion, drought-prevention measures and attempts to retain water in the landscape are a matter of paramount public interest. Therefore, we will continue to support effective water management measures that are in tune with nature. We will financially support and simplify the authorisation procedure for the restoration or construction of thousands of smaller reservoirs in the landscape, and hundreds of new sources of drinking water for the population. We will scale up our support of innovative methods to handle wastewater (e.g. domestic wastewater treatment plants) and measures enabling drinking water to be replaced with rainwater where possible. We will ensure that sources of water (particularly groundwater), especially drinking water, enjoy improved legislative and material protection.

In a bid to reinforce strategic resource security and self-sufficiency, we will promote circular economy principles. By the end of 2018, we will submit a new Waste Act, aimed at fundamentally reducing the volume of waste that ends up in landfills, while improving sorting and recycling. We will propose a comprehensive system motivating citizens and municipalities to reduce the amount of waste they generate (by means of a "recycling discount").

We will ensure that citizens pay fair prices for their water and sewage services, and that they know who they are paying and why. We will push for a strong and independent central water regulator defending consumer interests. Within the existing legal framework, we will support opportunities for municipalities, regions and the state to reclaim water management property. We will help those municipalities that, on their own, are unable to secure investment resources to renovate water management infrastructure.

We will steadfastly protect farmland, especially where this is prime agricultural land. It will be possible to use such land for non-agricultural purposes and agri-environmental measures only where there is a greater public interest to do so. This will include a new system of motivating measures as foreseen by the EU's future common agricultural policy. Our preference will be for the use of brownfield sites. We will organise the fastest possible implementation of a programme to protect farmland that is at risk of water erosion.

We will rigorously ensure that one of the main priorities of all economic sectors is to reduce greenhouse gas emissions. We will carry out all tasks and pursue all objectives laid down by the Paris Agreement.

We will prepare and financially support air quality improvement projects in all regions. Areas with long-term poor air quality (Moravia-Silesia and the Ústí nad Labem Region) will take priority. In the transport sector, we will financially support a clean mobility scheme, promoting the purchase of low-emission vehicles, including the related infrastructure.

We will speed up the project of boiler subsidies in order to replace up to 100,000 of the oldest domestic boilers fired by solid fuel by the end of 2019. We will also seek out further financial resources to continue this project. We will support the development of small photovoltaic plants and the expansion of energy storage facilities as part of our efforts to champion civil and municipal energy self-sufficiency.

In all areas of environmental protection, we will incorporate the necessary protection of biodiversity. We will explore opportunities to expand areas enjoying increased protection as gene banks for the future.

We will push for environmentally appropriate solutions to inadequate species and age diversification and disasters in forestland.

We will focus on a comprehensive landscape protection policy and, by appropriate means, we will interlink it with the land-use planning system via the territorial environmental stability system.

Sport

Like the majority of EU Member States, we believe that support for sport and an active lifestyle in the Czech Republic is particularly important in that it improves the quality of life and the health of our citizens, whatever their age.

In the field of sport, we will ensure the more transparent and more efficient use of public funds as a prerequisite to increase the overall financial support for sport available from the central government budget. We will promote continuity with Czech sport's strong traditions and support talented and successful athletes when they represent the Czech Republic. We will balance this with modern trends and take into account the need to shape conditions for the furtherance of exercise by all age groups within the population.

We will ensure that the government commissioner for sport, reporting to the prime minister, will work with the Ministry of Education, Youth and Sports to coordinate the state support of sport and define institutional, financial and legislative parameters for the establishment of a new central authority (the National Sports Agency), which will be the overarching body responsible for the implementation of state policy in the support of sport and exercise by the public.

We will prepare a new law on the support of sport that reflects the current significance of sport in society, including the institutional, legislative and financial organisation behind the encouragement and development of sport.

We will try to establish the stable and continuous financing of sports organisations via multiannual financial plans.

We will continue to support the direct distribution of public money to sports clubs, physical education associations, sports federations and sports organisations.

We will encourage the greater involvement of experts and the introduction of modern approaches when teaching children the values of exercise and providing physical education to young people, and in the implementation of health-driven exercise programmes for everyone.

We will enhance the system used to support the training of talented young people, including support of training centres for young people and the application of science and research in the training of young people and adults.

We will create appropriate conditions and clear rules for the organisation of significant international sports events and the support thereof from the central government budget as an important means of promoting Czech sport, the Czech Republic and the country's individual regions.

Working with sports clubs, municipalities and regions, we will strive to secure sufficient investment resources from the central government budget and other public budgets to restore, upgrade and develop sports infrastructure of local, regional and national significance.