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Strategic Environmental Assessment Documentation on the National Development Plan of the Czech Republic (SEA on NDP)

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I. Introductory Information about the Environmental Assessment on the National Development Plan

I.1. Starting Points for the Environmental Assessment on the National Development Plan

The National Development Plan of the Czech Republic (hereinafter the “NDP”) was prepared based on Resolution of the Government No. 102/2002 of 23 January, 2002, on the finalisation of the preparation of programme documents and identification of managing and paying authorities for the drawing of the Structural Funds and the Cohesion Fund of the European Union. The NDP is developed based on the guidelines of the European Commission which put great emphasis on the evaluation of expected impacts of the EU Structural Funds on the environment.

The environmental assessment on the NDP fulfils the task of **the assessment in compliance with the Czech legal requirements** (conducted pursuant to S.14 of Act No. 244/1992 Coll., on Environmental Impact Assessment of Development Concepts and Programmes, as amended) as well as **the environmental part of the ex-ante evaluation** pursuant to acquis communautaire (conducted pursuant to Article 42.2(b) of Council Regulation (EC) No. 1260/1999). Thus the environmental assessment on the NDP was conducted using a combined procedure complying with the requirements of two basic pieces of legislation:

- Act No. 244/1992 Coll., on Environmental Impact Assessment of Development Concepts and Programmes, as amended. This Act applies to the prepared concepts in the areas of energy, transport, agriculture, waste and tourism approved on the level of the Government of the Czech Republic. The Ministry for Regional Development of the Czech Republic as a sponsor is responsible for the environmental assessment on concepts. The Ministry of the Environment of the Czech Republic issues its opinion as a supporting document for the Government resolution pursuant to S.14 from the viewpoint of the impact assessment on the assessed concepts.
- Requirements related to the environmental assessment on the operations of the EU Structural Funds which are contained in Article 42.2(b) of Council Regulation (EC) No. 1260/1999 and the follow-up guidelines of the European Commission (*Handbook on Environmental Assessment of Regional Development Plans and EU Structural Funds Programmes, DG XI, 1998*).

The environmental assessment on the NDP fully complies in its contents with **the Methodology on Environmental Assessment of Regional Development Concepts** (published by the Ministry of the Environment, Planeta edition No. 3/2001) which is based among other things on the above mentioned legal regulations.

I.2. Procedure for the Environmental Assessment on the NDP

The environmental assessment on the NDP was conducted between April and November 2002 by a team of evaluators (hereinafter the “SEA Team”) comprising: Ing. Jirí Dusík (Head of

the Team), Ing. Tomáš Kažmierski, Mgr. Simona Kosíková Šulcová, RNDr. Miroslav Martiš, CSc., MUDr. Miroslav Šuta, Ing. Marie Tichá and Ing. Vladimír Zdražil.

It was consented based on the original agreement of the NDP author and the SEA Team that individual draft versions of the NDP would be assessed which would result in an on-going optimisation of the NDP from the environmental impact viewpoint. Observance of the originally proposed procedure was complicated by changes in the time schedule of the NDP preparation. Despite the time pressure during the preparation of the final version of the NDP, the SEA Team managed to process and submit to the NDP author all the partial assessments on the NDP so that they could be used prior to sending it out for interdepartmental consultations.

The environmental assessment on the NDP focused on the evaluation of the following NDP chapters:

- Description of the Current Situation (Chapter I)
- Objectives, Strategies, Priorities (Chapter II)
- Orientation of the Operational Programmes (Chapter III)
- Management and Monitoring (Chapter IV)
- Financial Framework (Chapter V)

The NDP author strived to incorporate proposed amendments, re-wording and additions to the texts recommended by the SEA Team into the NDP text. In its opinion pursuant to S.14 of Act No. 244/1992 Coll., as amended, the Ministry of the Environment should formally assess to which extent these recommendations were incorporated into the final version of the NDP.

The SEA Team also continuously presented its partial conclusions at public working seminars on the NDP (9 October and 22 October, 2002). All the supporting documents for the work of the SEA Team and its partial conclusions were also published immediately upon receiving them at the following web site www.reccr.cz/projektys/sea/nrp/nrp.html.

II: Reference Objectives of Environmental Protection

II. 1. Reference Objectives of Environmental Protection for the NDP

In co-operation with the NDP author and based on the analysis of the current situation of the CR economic development related to the development of the environmental situation, the SEA Team identified the below mentioned 11 reference objectives of environmental protection (hereinafter the “EP”) for the NDP:

1. Decrease emissions causing climate changes;
2. Decrease emissions causing air pollution;
3. Limit point pollution of water and soil;
4. Limit area pollution of water and soil;
5. Decrease drawing from non-renewable sources of energy and energy raw materials;
6. Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards;
7. Preserve the natural diversity of fauna, flora and habitats;
8. Protect and improve the condition and functions of eco-systems;
9. Protect and improve the condition and functions of the cultural landscape;
10. Protect and improve the condition of settlements;
11. Improve environmentally-responsible behaviour of the inhabitants.

Reference objectives of the EP for the NDP fully respect the requirements set forth in the relevant legal regulations and policies of the EU and the CR. The relation of the EP reference objectives with these policies and legislation is shown in Table 1 below.

Table 1: Main Links between EP Reference Objectives and Relevant Legislation and Policies of the EU and the Czech Republic (Source: adjusted based on the materials provided by the Ministry of the Environment – European Integration Section)

EP Reference Objective for the NDP	Relevant EU Legislation and Policies	Relevant CR Legislation and Policies
Decrease emissions causing climate changes	<ul style="list-style-type: none"> • EC became a party to the Kyoto Protocol (European Climate Change Programme) • Decision No. 93/389/EEC for a Monitoring Mechanism of Community CO₂ and Other Greenhouse Gas Emissions • Proposal of the Taxation of Energy Products Directive • Proposal of the Emission Trading Directive • 97/11/EC (EIA) 	<ul style="list-style-type: none"> • Act No. 86/2002 Coll., on Air Protection • Resolution of the Government No. 480/1999, Strategy of the Protection of the Earth's Climate in the Czech Republic
Decrease emissions causing air pollution	<ul style="list-style-type: none"> • 2001/80/EC (LCP) • 2001/81/EC (Emission Ceilings) • 96/61/EC (IPPC) • 98/70/EC, 99/32/EC (Fuels) • 94/63/EC, 99/13/EC (VOC) • 97/68/EC (Non-Road Mobile Machinery) • Stockholm Convention on POPs • 97/11/EC (EIA) 	<ul style="list-style-type: none"> • Act No. 86/2002 Coll., on Air Protection • Act No. 76/2002 Coll., on Integrated Prevention and Reduction of Pollution • Act No. 56/2001 Coll., on Conditions for Vehicle Operation on Roads • Stockholm Convention on POPs
Limit point pollution of water and soil	<ul style="list-style-type: none"> • 91/271/EEC (Waste Water Treatment Plant) • 2000/60/EC (Water Policy) • 76/464/EEC (Dangerous Substances Discharged into the Aquatic Environment) • 96/61/EC (IPPC) • Prepared Mining Waste Directive • Stockholm Convention on POPs • 97/11/EC (EIA) 	<ul style="list-style-type: none"> • Act No. 254/2001 Coll., on Waters • Act No. 274/2001 Coll., on Water Supply and Sewerage Systems • Act No. 76/2002 Coll., on Integrated Prevention and Reduction of Pollution • Act No. 334/1992 Coll., on Protection of Agricultural Land Fund • Stockholm Convention on POPs

Limit area pollution of water and soil	<ul style="list-style-type: none"> • 91/676/EEC (Nitrates) • 2000/60/EC (Water Policy) • 86/278/EEC (Use of Sewage Sludge in Agriculture) • Stockholm Convention on POPs • 97/11/EC (EIA) 	<ul style="list-style-type: none"> • Act No. 254/2001 Coll., on Waters • Act No. 274/2001 Coll., on Water Supply and Sewerage Systems • Act No. 76/2002 Coll., on Integrated Prevention and Reduction of Pollution • Act No. 334/1992 Coll., on Protection of Agricultural Land Fund • Stockholm Convention on POPs
Decrease drawing from non-renewable sources of energy and energy raw materials	<ul style="list-style-type: none"> • 2001/77/EC (Promotion of Electricity Produced from Renewable Energy Sources) • 96/61/EC (IPPC) • Proposal of the Taxation of Energy Products Directive 	<ul style="list-style-type: none"> • Act No. 76/2002 Coll., on Integrated Prevention and Reduction of Pollution • Act No. 458/2000 Coll. (Energy Act) • Act No. 406/2000 Coll., on Energy Management • A new act will be prepared in relation to Directive 2001/77/EC
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	<ul style="list-style-type: none"> • 75/442/EEC (Framework Directive on Waste) • EC is a party to the Basle Convention, Regulation No. 259/93 (EC) • 91/689/EEC (Hazardous Waste) • 94/62/EC (Packaging Waste) • 96/61/EC (IPPC) • 97/11/EC (EIA) 	<ul style="list-style-type: none"> • Act No. 185/2001, on Waste • Act No. 477/2001, on Packaging • Act No. 76/2002 Coll., on Integrated Prevention and Reduction of Pollution
Preserve the natural diversity of fauna, flora and habitats	<ul style="list-style-type: none"> • 92/43/EEC (Habitats) • 79/409/EEC (Birds) • 97/11/EC (EIA) 	<ul style="list-style-type: none"> • Act No. 114/1992 Coll., on Nature and Landscape Protection • Act No. 17/1992 Coll., on Environment
Protect and improve the condition and functions of eco-systems	<ul style="list-style-type: none"> • 92/43/EEC (Habitats) • 79/409/EEC (Birds) • 96/62/EEC (Ambient Air Quality) • 3528/86 (EC) Protection of Forests against Atmospheric Pollution • 97/11/EC (EIA) 	<ul style="list-style-type: none"> • Act No. 289/1995 Coll., on Forests • Act No. 86/2002 Coll., on Air Protection • Act No. 114/1992 Coll., on Nature and Landscape Protection • Act No. 17/1992 Coll., on Environment

Protect and improve the condition and functions of the cultural landscape	<ul style="list-style-type: none"> • European Landscape Convention • 97/11/EC (EIA) 	<ul style="list-style-type: none"> • Act No. 109/2001 Coll. (Building Act) • Act No. 114/1992 Coll., on Nature and Landscape Protection • Act No. 100/2001 Coll., on Environmental Impact Assessment • Act No. 159/2001 Coll. (Cultural Heritage)
Protect and improve the condition of settlements	<ul style="list-style-type: none"> • 2000/14/EC (Noise) • European Sustainable Cities • European Regional/Spatial Planning Charter • Aalborg Charter • 97/11/EC (EIA) 	<ul style="list-style-type: none"> • Act No. 109/2001 Coll. (Building Act) • Act No. 159/2001 Coll. (Cultural Heritage) • Act No. 367/1990 Coll., on Municipalities • Rural Reconstruction Programme
Improve environmentally-responsible behaviour of the inhabitants	<ul style="list-style-type: none"> • 90/313/EEC (Access to Information) • Agenda 21 • EC is a signatory of the Aarhus Convention (UN EEC Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters) 	<ul style="list-style-type: none"> • Act No. 123/1998 Coll. (Access to Information) • CR is a signatory of the Aarhus Convention (UN EEC Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters)

Reference objectives also respect the requirements of the following documents:

- EC Environment Action Programme;
- Resolution of the Government No. 38/2001 – State Environmental Policy of the Czech Republic (2001);
- Act No. 100/2001 Coll., on Environmental Impact Assessment.

II.2. Links of Reference Objectives of Environmental Protection to Priority Axes of the NDP

The EP reference objectives for the NDP are characterised as cross (horizontal) objectives for all the interventions within the NDP. The main links of the EP reference objectives to the priority axes of the NDP are shown below in Table 2.

Table 2: Main Links of the EP Reference Objectives to Priority Axes of the NDP

EP Reference Objective for the NDP	NDP Priority Axes					
	1. Enhancing of industrial competitiveness and of business services	2. Transport infrastructure development	3. Human resources development	4. Environmental protection and improvement of quality	5. Rural development and development of multi-functional agriculture	6. Tourism development
Decrease emissions causing climate changes	2	2		2	1	1
Decrease emissions causing air pollution	2	2		1		1
Limit point pollution of water and soil	2			2	1	
Limit area pollution of water and soil	1				2	
Decrease drawing from non-renewable sources of energy and energy raw materials	2	2		2	1	
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	2	2		2	1	
Preserve the natural diversity of fauna, flora and habitats	1	1		2	2	1
Protect and improve the condition and functions of eco-systems	1	1		2	2	1
Protect and improve the condition and functions of the cultural landscape	1	1		2	1	1
Protect and improve the condition of settlements	1	1		1	1	1
Improve environmentally-responsible behaviour of the inhabitants	1	1	2	2	1	1

The following symbols were used in the table:

1 a strong link (achieving the EP objective partially depends on the development of the

relevant sector);

2 a very strong link (achieving the EP objective very much depends on the development of the relevant sector).

II.3. Indicators for Detailed Assessment of the Achieved Level of Environmental Protection Reference Objectives

Achievement of individual EP reference objectives within the framework of the NDP implementation (that is when compiling follow-up programme documents and when carrying out individual interventions within the operations of the EU Structural Funds in the CR) could be monitored using a basic set of indicators as defined in Table 3.

The main indicators were selected with respect to the results of the analysis of the environmental situation (see Chapter I). The SEA author presumes that the indicators will be further detailed on the level of follow-up programme documents (individual sectoral OPs, JROP and SPD Prague).

Table 3: Main Indicators for Detail Assessment of the Achievement of the Environmental Protection Reference Objectives

1. Decrease emissions causing climate changes
- emission expressed in CO ₂ equivalent
2. Decrease emissions causing air pollution
- emission of NO _x
- emission of VOC
- emission of heavy metals
- emission of POPs (including PAHs)
3. Limit point pollution of water and soil
- emission of BOD5
- emission of COD
- emission of heavy metals
4. Limit area pollution of water and soil
- total N load per ha
- total P load per ha
- microbial pollution
5. Decrease drawing from non-renewable sources of energy and energy raw materials
- energy consumption
- generation of energy from alternative sources (including for example biopetrol)
6. Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards
- consumption of non-renewable sources of raw material (what kind and quantity)
- generation of hazardous waste (what kind and quantity)
- generation of other waste (what kind and quantity)
7. Preserve the natural diversity of fauna, flora and habitats
- composition of species, populations and communities within an affected area in relation to the level of biodiversity as a whole
- elimination of non-original (introduced) aggressive species of flora and fauna
- status of natural and semi-natural habitats
- release of genetically modified organisms into the environment

8. Protect and improve the condition and functions of eco-systems
- quality (composition of species, proportional representation) or quantity (number, area) of the existing natural or semi-natural eco-systems or eco-systems which do not collide with the local natural conditions and their functioning in the landscape system
- accumulation and retention capacity of the landscape
- protected areas or areas remarkable from the nature viewpoint and within a given context
9. Protect and improve the condition and functions of the cultural landscape
- level of green-field development / green-field development to development within settlements ratio (rural areas/developed areas)
- landscape character
- landscape penetrability for a human being
- level of landscape fragmentation ¹ and de-fragmentation ²
10. Protect and improve the condition of settlements
- regeneration of unused buildings and areas in settlements
- noise load of the population
- area, quality and fragmentation of vegetation in settlements
- flood protection of settlements
- penetrability of the settlement for pedestrians, cyclists and the physically disabled
11. Improve environmentally-responsible behaviour of the inhabitants
- environmental awareness level of citizens, public administration or businesses
- awareness of consumers about impacts of products (as project outputs) on the environment
- accessibility of information on environmental aspects of the project, including information on emergency situations
- informing the general public on potential resolution of environmental issues related to the project implementation

¹ This includes fragmentation by linear structures of transport and technical infrastructure as well as for example by area complexes.

² This includes de-fragmentation of the landscape by eliminating interaction elements and other distortion of ecotone functions.

III. Assessment of Individual NDP Chapters

III.1. Assessment of Description of the Current Situation (NDP – Chapter I)

III.1.1. Assessment of “General Characteristics”

The SEA Team recommended to amend this part of the document (in the part on Basic Infrastructure or rather in the part on Transport Infrastructure and Transport) by an analysis of the basic environmental context for transport and prepared a partial text on this topic (the text is included in Appendix 1 to the SEA Documentation – Chapter P1.1.). The proposal of the SEA Team was accepted by the NDP author and incorporated into the document.

III.1.2. Assessment of “Macro-Economic Analysis and Prognosis”

The SEA Team has no comments on this part of the document.

III.1.3. Assessment of “Analysis of Economic and Social Development”

The situation analysis of this part of the NDP covers all significant items of the economic and social development, however it fully lacks description of the environmental context of such development. The SEA Team thus recommended to add to the situation analysis a chapter on Environmental Implications of Economic Development the text of which is contained in Appendix 1 (Chapter P1.2.).

Analytical data of this chapter related to **tourism** do not contain description of environmental aspects of tourism and its sustainability in relation to maintaining or improving the environmental situation. The SEA Team therefore recommended to add a chapter on Environmental Implications of Tourism contained in Appendix 1 (Chapter P1.3.).

III.1.4. Assessment of “Social Situation”

The description does not contain an analysis of environmental aspects of social inclusion. The SEA Team therefore recommended to add to the part of the chapter devoted to **social inclusion** the following text:

Supporting social cohesion and elimination of social exclusion is included in one of the three basic pillars of sustainable development. Only little attention has been so far devoted in the Czech Republic to health and other negative impacts of the polluted and damaged environment on different social groups. A serious social problem for the future could be the Roma ethnic group and generally socially the weakest groups of citizens, concentrated mainly in dilapidating town districts, in worsened environment with risky sanitary conditions.

The above proposed text was accepted by the author.

Description of the part of the chapter devoted to **education** deals with all important parameters of the educational system, however it fully lacks an analysis of the existing development of the educational system for sustainable development. The SEA Team therefore recommended to add the following text to the situation analysis:

Deepening of education is a primary condition for the application of the concept of sustainable development. The Czech Republic so far belongs to countries where the educational concept for sustainable development has not been sufficiently developed, although the need to reflect the issues of sustainable development in the educational system is defined in relevant national programme documents, such as the National Programme of Education Development in the Czech Republic (2000) and the State Programme of Environmental Education and Training in the Czech Republic (2001). The educational corner stones for sustainable development are as follows:

- 1. General area for the whole population which should serve to understand the economic, environmental and social aspects of the sustainable development and understanding among different social groups;*
- 2. Professional area differed by professional orientation, based on the affiliation to different professional groups and on the level of different social responsibility.*

Education towards sustainable development is not only a matter for school education at all levels, it is also important to enhance general civic literacy, the part of which is also public administration and business sphere. A key prerequisite of successful education is efficient preparation of teachers and education of media. One of the first important steps for the development of education in the area of environment is the application of the State Programme of Environmental Education and Training in the Czech Republic. An important role in the implementation of this programme is played by non-state non-profit organisations.

III.1.5. Assessment of “Agriculture and Rural Development”

The SEA Team recommended to add to the NDP an analysis of environmental aspects of the agricultural development and prepared a basic text on this topic (the whole wording of the text is included in Appendix 1, Chapter P1.4.).

The SEA Team also recommended to add to the chapter on Organic Farming the following text:

“Since the late 1990s, genetically modified organisms (GMOs) started to be released into the environment of the Czech Republic. The issues relating to GMOs are currently addressed by Act No. 153/2001 Coll. The number of applicants requesting approval to use GMOs as well as the amount of used modified organisms are growing. Genetically modified plants classified by the European Environmental Agency (EEA) as bearing medium or high risk of possible transfer of pollen to unmodified species were or are grown on open-air test fields in the Czech Republic.

So far, commercial cropping of genetically modified organisms has not been approved in the Czech Republic. A study conducted by the EU pointed out the fact that expansion in the

commercial cropping of GMOs will result in higher costs for traditional farmers. According to the same study, possible commercial expansion of GMOs will endanger mainly the competitiveness of biofarmers. Maximum attention should be paid to these facts in the future, when GMOs are possibly implemented in the Czech Republic.”

The proposals were fully accepted by the NDP author, the SEA Team has no further comments on the analysis of “Agriculture and Rural Development”.

III.1.6. Assessment of “The Environment”

The SEA Team recommended to fundamentally revise the original analysis of “The Environment” in the NDP and prepared a starting text on this issue. The proposal was fully accepted by the NDP author and the Ministry of the Environment of the Czech Republic then prepared a new text on this topic. The SEA Team has no further comments on the analysis of “The Environment”.

III.1.7. Assessment of “Current Support of the Regional Development”

The SEA Team has no further comments on this part of the document.

III.2. Assessment of Objectives, Strategies and Priorities of the NDP (NDP – Chapter II)

III.2.1. Assessment of the SWOT Analysis

Comments on Strengths:

The SEA Team recommends to leave out “balanced economic development of regions” as one of the weaknesses is “excessive concentration of economic activities in Prague” and “considerable regional differences in terms of ratio and concentration of structural issues”.

The SEA Team also recommends to transfer “creation of an environmental segment in the economy” from strengths to opportunities. As this segment of the economy is still very weak in the Czech Republic and primarily it focuses on end-of-pipe technologies, we recommend to add to the wording: “creation of an environmental segment in the economy *oriented towards prevention of pollution*”.

Comments on Weaknesses:

The SEA Team proposes to change the wording of “high energy consumption of manufacturing processes” to “*high consumption of non-renewable sources of energy and raw materials in the economy*”. The problem is not only in the energy consumption itself but also in the consumption from non-renewable sources. With respect to the structure of the industry the consumption of material in the economy is also high.

Comments on Opportunities:

As there is no direct relation between reduction of pollution and the growing use of renewable sources the SEA Team recommends to change the wording of “further lowering of the volume of contaminants in the environment by increased use of renewable sources” and divide it to two items. The proposed wording of the items is as follows: “*reduction of the environmental pollution by preventing creation of emissions and waste and replacement of risk substances by safer substances*” and “*use of renewable sources of energy and raw materials to replace non-renewable sources*”.

Comments on Threats:

With respect to the obligatory opening of the Czech borders for transporting hazardous waste within the EU countries and high production of such waste in particular in neighbouring Germany and Austria, the SEA Team recommends to add as a potential threat also “*growth of import of hazardous waste and technologies producing such waste with respect to deregulation of their transfer*”.

III.2.2. Assessment of the NDP Objectives and Strategies

Comments on the NDP Global Objective:

As the term “growth” is only quantitative, the SEA Team recommends to re-word the NDP global objective as follows: “*The NDP global objective is sustainable development based on competitiveness.*” This NDP global objective includes both quantitative as well as qualitative elements of the development in the Czech Republic³.

Comments on the NDP Specific Objectives:

Comments on specific objectives are done as direct revision of version 6 of the NDP and are included in Appendix 2 to this SEA documentation. The comments were fully accepted within version 2.8.

III.2.3. Assessment of Links of the Priority Axes of the NDP to Reference Objectives of Environmental Protection

This issue is fully covered in Chapter II.2. of the SEA documentation (Links of Reference Objectives of Environmental Protection to Priority Axes of the NDP).

III.2.4. Assessment of the NDP Compliance with the EU Policies

The original text on the environment contained a wrong description of the national situation and inaccurate quotations of certain legal regulations. The SEA Team pointed out these insufficiencies and in co-operation with the Ministry of the Environment prepared a new text on this topic. The author accepted this proposal and incorporated it into the text of the NDP.

III.3. Assessment of Orientation of the Operational Programmes (NDP – Chapter III)

The evaluation system for the proposed priorities of individual operational programmes has been based on assessment of their links to the EP reference objectives for the NDP (see Table 1). This evaluation was performed through the interaction matrices given below. The following symbols were used when completing the matrices:

- 2 potentially strong negative impact;
- 1 potentially negative impact;
- 0 no potential impact;
- + 1 potentially positive impact;
- + 2 potentially strong positive impact;
- ? evaluation cannot be made due to uncertainties.

During the evaluation, the highest potential risks were taken into account.

³ *Comment: Sustainable economic development is generally considered to be a criterion of successful social development, however, growing emphasis is put on the qualitative aspect of such development. These efforts led in late 1980s to the formulation of the sustainable development concept which was re-confirmed in August 2002 at the World Summit on Sustainable Development. Sustainable development represents a basic horizontal objective for the operations of the EU Structural Funds in the programming period of 2000-2006 (see Council Regulation (EC) No. 1260/1999 - Article 1 and other follow-up provisions of the Regulation).*

III.3.1. Assessment of JROP Priorities

Priority 1 – Development of Local Business Activities		
EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	-1	
Decrease emissions causing air pollution	-1	
Limit point pollution of water and soil	-1	
Limit area pollution of water and soil	-1	
Decrease drawing from non-renewable sources of energy and energy raw materials	-1	
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	-1	
Preserve the natural diversity of fauna, flora and habitats	-2	Risks: e.g. green field construction projects.
Protect and improve the condition and functions of eco-systems	-2	
Protect and improve the condition and functions of the cultural landscape	-2	
Protect and improve the condition of settlements	?	It cannot be assessed whether the projects proposed within the priority will have positive or negative impacts on the condition of settlements.
Improve environmentally-responsible behaviour of the inhabitants	0	

Priority 2 – Regional Development of Transport and Communications Technologies		
EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	-1	
Decrease emissions causing air pollution	-2	Construction of bypasses, link roads, etc., usually only transfers pollution to another place.
Limit point pollution of water and soil	0	
Limit area pollution of water and soil	-1	
Decrease drawing from non-renewable sources of energy and energy raw materials	-1	
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	-1	

Preserve the natural diversity of fauna, flora and habitats	-1	
Protect and improve the condition and functions of eco-systems	-1	
Protect and improve the condition and functions of the cultural landscape	-1	
Protect and improve the condition of settlements	+1	
Improve environmentally-responsible behaviour of the inhabitants	0	

Note: Negative evaluation is related mainly to transport constructions. Communication networks may have a negative impact mainly on the condition and functioning of eco-systems and cultural landscape.

Priority 3 – Local Human Resources Development		
EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	0	
Decrease emissions causing air pollution	0	
Limit point pollution of water and soil	0	
Limit area pollution of water and soil	0	
Decrease drawing from non-renewable sources of energy and energy raw materials	0	
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	0	
Preserve the natural diversity of fauna, flora and habitats	0	
Protect and improve the condition and functions of eco-systems	0	
Protect and improve the condition and functions of the cultural landscape	0	
Protect and improve the condition of settlements	0	
Improve environmentally-responsible behaviour of the inhabitants	+1	

Priority 4 – Improvement of the Environment in Municipalities and Regions		
EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	+1	
Decrease emissions causing air pollution	+2	
Limit point pollution of water and soil	+2	
Limit area pollution of water and soil	0	
Decrease drawing from non-renewable sources of energy and energy raw materials	?	It cannot be assessed, as the impact depends on the project type.

Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	+1	Potentially positive impact would be related to the introduction of appropriate recycling technologies.
Preserve the natural diversity of fauna, flora and habitats	0	
Protect and improve the condition and functions of eco-systems	+1	
Protect and improve the condition and functions of the cultural landscape	0	
Protect and improve the condition of settlements	+2	
Improve environmentally-responsible behaviour of the inhabitants	+1	

Priority 5 – Revitalisation of Rural Areas		
EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	0	
Decrease emissions causing air pollution	-1	
Limit point pollution of water and soil	-1	
Limit area pollution of water and soil	0	
Decrease drawing from non-renewable sources of energy and energy raw materials	-1	
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	-1	
Preserve the natural diversity of fauna, flora and habitats	-2	Negative impacts especially on habitats of e.g. golf courses, recreational facilities, lidos, entertainment parks.
Protect and improve the condition and functions of eco-systems	-1	
Protect and improve the condition and functions of the cultural landscape	-1	
Protect and improve the condition of settlements	?	It cannot be assessed whether the projects proposed within the priority will have positive or negative impacts on the condition of settlements.
Improve environmentally-responsible behaviour of the inhabitants	?	It depends on the negative or positive examples of project results within the priority.

Priority 6 – Development of Tourism in Municipalities and Regions		
EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	0	
Decrease emissions causing air pollution	-1	
Limit point pollution of water and soil	-1	
Limit area pollution of water and soil	0	
Decrease drawing from non-renewable sources of energy and energy raw materials	-1	
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	0	
Preserve the natural diversity of fauna, flora and habitats	-2	Construction activities outside of the developed areas of settlements, e.g. funiculars, sports and recreational facilities, etc.
Protect and improve the condition and functions of eco-systems	-1	
Protect and improve the condition and functions of the cultural landscape	-1	
Protect and improve the condition of settlements	?	It cannot be assessed whether the projects proposed within the priority will have positive or negative impacts on the condition of settlements.
Improve environmentally-responsible behaviour of the inhabitants		It depends on the negative or positive examples of project results within the priority.

III.3.2. Assessment of OP Industry Priorities

Priority 1 – Development of the Entrepreneurship and Enhancing Competitiveness of the Production Sector		
EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	0	
Decrease emissions causing air pollution	-1	
Limit point pollution of water and soil	-1	
Limit area pollution of water and soil	0	
Decrease drawing from non-renewable sources of energy and energy raw materials	-1	
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	-1	

Preserve the natural diversity of fauna, flora and habitats	-1	
Protect and improve the condition and functions of eco-systems	-1	
Protect and improve the condition and functions of the cultural landscape	?	It cannot be assessed whether the projects proposed within the priority will have positive or negative impacts on the function of the cultural landscape.
Protect and improve the condition of settlements	?	It cannot be assessed whether the projects proposed within the priority will have positive or negative impacts on the condition of settlements.
Improve environmentally-responsible behaviour of the inhabitants	0	

Priority 2 – Restructuring the Industrial Production Platform		
EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	-1	
Decrease emissions causing air pollution	-1	
Limit point pollution of water and soil	-1	
Limit area pollution of water and soil	0	
Decrease drawing from non-renewable sources of energy and energy raw materials	-1	
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	-1	Risks: introduction of environmentally incompatible productions, especially in areas with high unemployment.
Preserve the natural diversity of fauna, flora and habitats	-1	
Protect and improve the condition and functions of eco-systems	-1	
Protect and improve the condition and functions of the cultural landscape	?	It cannot be assessed whether the projects proposed within the priority will have positive or negative impacts on the function of the cultural landscape.
Protect and improve the condition of settlements	?	It cannot be assessed whether the projects proposed within the priority will have positive or negative impacts on the condition of settlements.
Improve environmentally-responsible behaviour of the inhabitants	0	

Priority 3 - Enhancement of Energy Efficiency of Generation, Transformation and Utilisation of Energy Sources and Focus on Energy Savings		
EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	+1	
Decrease emissions causing air pollution	+2	
Limit point pollution of water and soil	0	
Limit area pollution of water and soil	0	
Decrease drawing from non-renewable sources of energy and energy raw materials	?	There is a logical inconsistency between the measures and the definition of the priorities, creating space for exhausting brown coal deposits.
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	+1	
Preserve the natural diversity of fauna, flora and habitats	0	
Protect and improve the condition and functions of eco-systems	+1	
Protect and improve the condition and functions of the cultural landscape	0	
Protect and improve the condition of settlements	0	
Improve environmentally-responsible behaviour of the inhabitants	+1	

III.3.3. Assessment of OP Transport Priorities

Priority 1 - Modernisation and Development of the Transport Infrastructure of National Importance		
EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	0	Significant support to public transport reducing the use of individual car transport is not evident.
Decrease emissions causing air pollution	+1	Significant support to public transport reducing the use of individual car transport is not evident.
Limit point pollution of water and soil	-1	
Limit area pollution of water and soil	-1	
Decrease drawing from non-renewable sources of energy and energy raw materials	-1	Significant support to public transport reducing the use of individual car transport is not evident.
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	+1	Significant support to public transport reducing the use of individual car transport is not evident.
Preserve the natural diversity of fauna, flora and habitats	-2	Risk of strong negative impacts, especially within measure 1.4 (modernisation of water routes, etc.).
Protect and improve the condition and functions of eco-systems	-2	Risk of strong negative impacts related to large investment in construction projects, especially within measures 1.2, 1.4 and 1.5.
Protect and improve the condition and functions of the cultural landscape	-1	
Protect and improve the condition of settlements	+2	
Improve environmentally-responsible behaviour of the inhabitants	0	Significant support to public transport reducing the use of individual car transport is not evident.

Priority 2 - Alleviation of the Transport-Related Negative Environmental Impacts		
EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	+1	Significant support to public transport reducing the use of individual car transport is not evident.
Decrease emissions causing air pollution	+1	Significant support to public transport reducing the use of individual car transport is not evident.
Limit point pollution of water and soil	0	
Limit area pollution of water and soil	0	
Decrease drawing from non-renewable sources of energy and energy raw materials	+1	
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	+1	
Preserve the natural diversity of fauna, flora and habitats	+1	
Protect and improve the condition and functions of eco-systems	+1	
Protect and improve the condition and functions of the cultural landscape	+2	
Protect and improve the condition of settlements	+2	
Improve environmentally-responsible behaviour of the inhabitants	+1	

III.3.4. Assessment of OP Human Resources Development Priorities

Priority 1 – Active Employment Policy		
EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	0	
Decrease emissions causing air pollution	0	
Limit point pollution of water and soil	0	
Limit area pollution of water and soil	0	
Decrease drawing from non-renewable sources of energy and energy raw materials	0	
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	0	

Preserve the natural diversity of fauna, flora and habitats	0	
Protect and improve the condition and functions of eco-systems	0	
Protect and improve the condition and functions of the cultural landscape	0	
Protect and improve the condition of settlements	0	
Improve environmentally-responsible behaviour of the inhabitants	+1	

Priority 2 – Social Integration and Equal Opportunities

EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	0	
Decrease emissions causing air pollution	0	
Limit point pollution of water and soil	0	
Limit area pollution of water and soil	0	
Decrease drawing from non-renewable sources of energy and energy raw materials	0	
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	0	
Preserve the natural diversity of fauna, flora and habitats	0	
Protect and improve the condition and functions of eco-systems	0	
Protect and improve the condition and functions of the cultural landscape	0	
Protect and improve the condition of settlements	0	
Improve environmentally-responsible behaviour of the inhabitants	0	

Priority 3 – Development of Lifelong Education

EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	0	
Decrease emissions causing air pollution	0	
Limit point pollution of water and soil	0	
Limit area pollution of water and soil	0	
Decrease drawing from non-renewable sources of energy and energy raw materials	0	

Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	0	
Preserve the natural diversity of fauna, flora and habitats	0	
Protect and improve the condition and functions of eco-systems	0	
Protect and improve the condition and functions of the cultural landscape	0	
Protect and improve the condition of settlements	0	
Improve environmentally-responsible behaviour of the inhabitants	+1	

Priority 4 – Adaptability and Entrepreneurship		
EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	0	
Decrease emissions causing air pollution	0	
Limit point pollution of water and soil	0	
Limit area pollution of water and soil	0	
Decrease drawing from non-renewable sources of energy and energy raw materials	0	
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	0	
Preserve the natural diversity of fauna, flora and habitats	0	
Protect and improve the condition and functions of eco-systems	0	
Protect and improve the condition and functions of the cultural landscape	0	
Protect and improve the condition of settlements	0	
Improve environmentally-responsible behaviour of the inhabitants	+2	

III.3.5. Assessment of OP Environment Priorities

Priority 1 – Restoration of Environmental Functions of Territories		
EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	0	
Decrease emissions causing air pollution	0	

Limit point pollution of water and soil	-1	Potential threats are created by implementing individual technical measures when training water courses and water reservoirs using heavy machinery.
Limit area pollution of water and soil	0	
Decrease drawing from non-renewable sources of energy and energy raw materials	0	
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	0	
Preserve the natural diversity of fauna, flora and habitats	+1	It contributes to enhancing biodiversity of water organisms and their populations.
Protect and improve the condition and functions of eco-systems	+2	Especially within the eco-systems of water reservoirs, courses and alluvial forests.
Protect and improve the condition and functions of the cultural landscape	+2	Enhancing natural retention capabilities of the landscape, landscape diversification through creation of water reservoirs.
Protect and improve the condition of settlements	+1	Potentially better protection of human settlements against floods.
Improve environmentally-responsible behaviour of the inhabitants	0	

Priority 2 – Water Protection		
EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	0	
Decrease emissions causing air pollution	0	
Limit point pollution of water and soil	+2	
Limit area pollution of water and soil	0	
Decrease drawing from non-renewable sources of energy and energy raw materials	+1	Utilisation of sewage sludge.
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	+1	
Preserve the natural diversity of fauna, flora and habitats	-1	Potential threat is related to construction (modernisation, reconstruction) of waste water treatment plans.
Protect and improve the condition and functions of eco-systems	+1	

Protect and improve the condition and functions of the cultural landscape	0	
Protect and improve the condition of settlements	0	
Improve environmentally-responsible behaviour of the inhabitants	0	

Priority 3 – Air and Climate Protection

EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	+1	
Decrease emissions causing air pollution	?	Due to the variety of the proposed measures, the overall negative or positive impacts cannot be clearly defined (negative risks are related mainly to combustion of hazardous waste, freons).
Limit point pollution of water and soil	0	
Limit area pollution of water and soil	0	
Decrease drawing from non-renewable sources of energy and energy raw materials	+1	
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	?	Combustion minimises the volume of wastes, on the other hand it increases the hazards.
Preserve the natural diversity of fauna, flora and habitats	0	
Protect and improve the condition and functions of eco-systems	0	
Protect and improve the condition and functions of the cultural landscape	0	
Protect and improve the condition of settlements	+1	
Improve environmentally-responsible behaviour of the inhabitants	0	

Priority 4 – Waste Management and Removal of Old Burdens

EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	0	
Decrease emissions causing air pollution	0	
Limit point pollution of water and soil	+1	
Limit area pollution of water and soil	0	
Decrease drawing from non-renewable sources of energy and energy raw materials	0	

Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	+1	
Preserve the natural diversity of fauna, flora and habitats	+1	
Protect and improve the condition and functions of eco-systems	+1	
Protect and improve the condition and functions of the cultural landscape	+1	
Protect and improve the condition of settlements	+1	
Improve environmentally-responsible behaviour of the inhabitants	+1	

III.3.6. Assessment of OP Rural Development and Multi-Functional Agriculture

Priority 1 – Development of Agriculture, Forest and Water Management and Rural Areas		
EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	+1	
Decrease emissions causing air pollution	-1	
Limit point pollution of water and soil	+2	
Limit area pollution of water and soil	+1	
Decrease drawing from non-renewable sources of energy and energy raw materials	-1	
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	-1	
Preserve the natural diversity of fauna, flora and habitats	+1	
Protect and improve the condition and functions of eco-systems	+1	
Protect and improve the condition and functions of the cultural landscape	+2	
Protect and improve the condition of settlements	0	
Improve environmentally-responsible behaviour of the inhabitants	0	

III.3.3. Assessment of OP Tourism and Spa Treatment Priorities

Priority 1 – Support of Building Joint Services for Tourism		
EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	0	
Decrease emissions causing air pollution	0	
Limit point pollution of water and soil	0	
Limit area pollution of water and soil	0	
Decrease drawing from non-renewable sources of energy and energy raw materials	0	
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	0	
Preserve the natural diversity of fauna, flora and habitats	0	
Protect and improve the condition and functions of eco-systems	0	
Protect and improve the condition and functions of the cultural landscape	0	
Protect and improve the condition of settlements	0	
Improve environmentally-responsible behaviour of the inhabitants	+1	

Priority 2 – Support of the Development of Products for Tourism		
EP reference objective for the NDP	Evaluation of potential impacts	Comment
Decrease emissions causing climate changes	0	
Decrease emissions causing air pollution	-1	
Limit point pollution of water and soil	-1	
Limit area pollution of water and soil	0	
Decrease drawing from non-renewable sources of energy and energy raw materials	-1	
Decrease drawing from non-renewable sources of raw materials and minimise waste production and hazards	0	
Preserve the natural diversity of fauna, flora and habitats	-2	Recommendation: respect the limits for utilising the area.
Protect and improve the condition and functions of eco-systems	-2	Recommendation: respect the limits for utilising the area.

Protect and improve the condition and functions of the cultural landscape	-1	Recommendation: - respect the limits for utilising the area; - designs of golf courses and tourist water routes should be approved only based upon approved development plans.
Protect and improve the condition of settlements	?	It cannot be assessed, it depends on the project type. Recommendation: respect the architectural and urban structure of settlements.
Improve environmentally-responsible behaviour of the inhabitants	?	It cannot be assessed, it depends on the project type.

The SEA Team recommends, in compliance with the SEA on the first complete draft SOP Tourism and Spa Treatment, version of November 2001, to reformulate the text describing the types of supported projects (pp. 37 – 38) in the following way:

“The supraregional programmes address and will address in the coming years development of the following areas:

- Spa tourism (spa infrastructure, accompanying programmes including new forms of the offer of services of spa tourism);
- Congress and incentive tourism (support will be given mainly to certain categories and classes of low and medium capacity lodging facilities, construction and renovation of congress centres within the development of regeneration of urban territories and respecting limits for use of territories, including unified presentation of the offer on international markets);
- Ecotourism (in this case this will include in particular supporting development of the infrastructure of tourism in compliance with principle of sustainable development and it will cover in particular the use – reconstruction and renovation – of the existing structures and infrastructure of protected landscape areas and national parks for tourism);
- Rural tourism (mainly investment in infrastructure of supraregional accompanying programmes, e.g. horse-riding trails, cycling paths and routes linked to interregional and international networks);
- Sports tourism (support of small and medium-sized sports and recreational facilities within development and regeneration of urban areas, construction and modernisation of sports and recreational facilities and sports and recreational infrastructure while observing the limits for utilising the area, creation of golf courses and tourist water routes only based upon approved development plans);
- Winter tourism (support of investment in creation and improvement of facilities for environmentally-friendly winter tourism);
- Cultural and church-oriented tourism (access to cultural, historical, church and technical sights of supraregional importance for tourism, in particular this will involve care of the so-called World Heritage, that is sights included in the UNESCO list and conservation areas included in the list of the Ministry of Culture).

The strategy to reach the goals in development of tourism should on the level of the responsible managing authority (Ministry for Regional Development) include, *inter alia*, evaluation of potentials and limits of areas in the Czech Republic for tourism from the viewpoint of sustainable development. The SEA Team also recommends that the managing authority for the SOP Tourism and Spa Treatment (version of November 2001) applies the following supplementary EP reference objectives when selecting projects within the SOP Tourism and Spa Treatment:

1. Introduce and use new environmental protection tools, increasing the long-term competitiveness of services in tourism (e.g. EMS, EMAS, voluntary agreements, use of environmentally-friendly products, eco-labelling, etc.);
2. Decrease the excessive burden of areas by regulating tourism in the overburdened areas;
3. Introduce time and space diversification of tourism (including enhancement of the off-season nature of tourism and diversification of the starting points);
4. Support environmentally-friendly types of transport in areas attractive for tourism, including the city centres (support of cycling, walking and public transport);
5. Respect limits for utilising the areas when placing the tourist infrastructure;
6. Improve quality of local environment through activities of tourist facilities;
7. Protect the historical environment (care for cultural and natural heritage);
8. Support participation of the key stakeholders in designing tourist products;
9. Monitor development of tourism (the whole sector or individual locations) according to the set sustainable development indicators, publish information;
10. Inform visitors on local environmental specifics and protection principles (environmental awareness raising).

III.3. Assessment of Management and Monitoring of the NDP (NDP – Chapter IV)

III.3.1. System of Environmental Evaluation of Projects and its Link to Monitoring the NDP Environmental Impact

The Ministry of the Environment will be – based on the partnership principle – a regular member of managing and monitoring committees for all programme documents. Within these bodies, the Ministry of the Environment should mainly supervise the following activities:

- Pre-project environmental evaluation when preparing the projects;
- Formal environmental evaluation within tenders;
- Link of the environmental evaluation of projects to the monitoring system of implementation of programme documents.

III.3.2. Types of Environmental Evaluation

A. Pre-Project Environmental Evaluation when Preparing the Projects

The parties preparing individual projects applying for financing within individual programme documents should have the opportunity of conducting a voluntary pre-project environmental evaluation of the prepared projects. This evaluation can be conducted through the tables prepared in compliance with framework Specimen A (see below). These services should be provided by the intermediate body or a different entity authorised for the activity by the managing authority.

This evaluation will provide to the applicants information on the possibilities to eliminate potential negative environmental impacts of the individual prepared projects. This evaluation can also maximise environmental benefits resulting from the projects already in the preparatory phases. It will lead to improvement of quality in project preparation and to savings of means for project documentation preparation.

Specimen A: Pre-Project Environmental Evaluation
Project
Is the environmental impact assessment required under the valid CR and EU legal regulations? <ul style="list-style-type: none"> - YES - NO

Project impact on the EP reference objectives for the given programme document	Preliminary impact evaluation			Recommendations for project modifications
	positive	no impact	negative	
Relevant EP reference objectives (selected from the EP objectives for the NDP – see the table...) - <i>partial indicators of fulfilment</i> -				
Supplementary EP reference objectives (specific EP objectives for individual programme documents) - <i>partial indicators of fulfilment</i>				

B. Formal Environmental Evaluation Within Tenders

Formal environmental evaluation will constitute an inseparable part of tenders for financial subsidies within individual programme documents. This evaluation will be conducted for all projects and it can be conducted through the tables prepared in compliance with framework Specimen B (see below). It should be conducted by a separate project evaluation committee.

This evaluation will, *inter alia*, set binding conditions for allocation of funds from the SF. Fulfilment of these conditions will be monitored during the project implementation. Their violation during the implementation may lead to a change of the decision on allocation of funds for the given project.

Projects requiring environmental impact assessment under the relevant valid CR and EU legal regulations must be evaluated in compliance with a detailed procedure set by the Ministry of the Environment.

Information on the supported projects will be gathered by the managing authorities of individual programme documents. This information will be made available to the public under procedure stipulated by Act No. 106/1999 Coll., on Free Access to Information.

Specimen B: Formal Environmental Evaluation			
Project			
Project impact on the EP reference objectives for the given programme document	Quantitative evaluation of individual relevant indicators with explanation, where needed (<i>information provided by the party submitting the project</i>)	Evaluation of individual relevant indicators (<i>conducted by the selection committee</i>)	Binding conditions for allocation of funds from the SF (<i>conducted by the selection committee</i>)

Relevant EP reference objectives (selected from the EP objectives for the NDP – see the table...) - <i>partial indicators of fulfilment</i> -			
Supplementary EP reference objectives (specific EP objectives for individual programme documents) - <i>partial indicators of fulfilment</i>			

III.3.3. Link of the Environmental Evaluation of Projects to the Monitoring System of Implementation of Programme Documents

Within the regular evaluation of individual programme documents (in the proposed programming period of 2004-2006 this applies mainly to the ex-post evaluation) monitoring of environmental impacts of their implementation will be conducted.

The recommendations related to the proposed monitoring system for environmental impacts of implementation of individual programme documents are based on the assumption that within the overall environmental monitoring the impacts of the SF programme documents and other interventions cannot be differentiated. Thus, the proposed system focuses mainly on the impacts listed in the detailed environmental impact evaluation (see Table B). This system allows for monitoring of both positive and negative project impacts.

III.4. Assessment of Financial Framework (NDP – Chapter V)

III.4.1. Comments on the Indicative Distribution of Funds by Individual Support Areas

The indicative distribution of funds by individual areas for the EU structural operations in the CR assumes allocation of 33% of funds to the Cohesion Fund projects (projects for development of transport and environmental infrastructure). From the viewpoint of efficiency of the funds spent on the environmental protection, support of smaller activities within the Structural Funds (ERDF or EAGGF) would be much more efficient.

The minimum co-financing from the Cohesion Fund will amount to EUR 10m for one project. In this respect, the SEA Team would like to point out the risk of a limited absorption capacity of the CR in the area of large environmental projects. This risk exists despite the fact that financing within the Cohesion Fund may be provided also for the so-called group projects. Thus, it is to be recommended that the CR within the formal pre-accession negotiations strives to decrease the minimum co-financing from the Cohesion Fund down to EUR 5m per submitted project.

IV. Final Opinion of the SEA Team

Within the assessment on the environmental impacts of the National Development Plan (NDP), the SEA Team prepared a number of partial recommendations to optimise the NDP from the viewpoint of its possible environmental impacts. The NDP author considered and incorporated the proposed amendments, re-wording and additions to the text recommended by the SEA Team into the NDP text. The Ministry of the Environment should within its opinion in compliance with S. 14 of Act No. 244/1992 Coll., as amended, formally assess to what extent the submitted suggestions and recommendations were incorporated into the final version of the NDP.

To prevent possible conflicts of structural operations with the environmental interests when implementing the NDP strategy (that is when compiling follow-up programme documents, programme complements and management guidelines for the operational programmes) the SEA Team recommends to conduct the environmental evaluation in two stages:

- 1) **Pre-project evaluation**, which would make the preparation of project documentation more efficient and would allow for timely identification of areas of potential negative interactions with the environmental issues. This evaluation is not mandatory.
- 2) **Formal evaluation**, which constitutes a mandatory part of the decision-making process related to the support of individual projects. It will allow for detailed assessment of the level on which the EP reference objectives are taken into account in individual submitted projects.

In this relation, the SEA Team recommends that the prepared resolution of the Government of the CR takes into account the SEA Team's comments related to NDP Chapter III, Management and Monitoring (see Chapter III.3. SEA on NDP).

Appendix No. 1

Particular Recommendations of the SEA Team to Finalise Description of the Current Situation

P1.1. Environmental Implications of Transport

In the CR transport represents one of the main factors whose development negatively affects the quality of the environment. The largest contributor in this respect is road transport whose negative influence is reflected particularly in the production of air polluting emissions, higher noise levels and occupied land while (re)developing the road and highway network.

Development of the indices of specific transport emissions (Table IV.13) shows a long-term and lasting effect of reducing the emissions of carbon monoxide, lead, sulphur dioxide and solid particles by adjusting combustion engines, using catalysts and adopting measures to save fuel. On the other hand, carbon dioxide has been rising, nitrogen oxides and hydrocarbons have been standing still.

Index of Development of Specific Transport Emissions (in % as at 1990) (Source: CDV – Transport Research Centre)

Emissions	1990	1992	1994	1995	1996	1997	1998	1999	2000
Carbon dioxide	100	105	122	121	117	129	126	139	142
Carbon monoxide	100	94	90	81	77	85	84	78	77
Nitrogen oxides	100	100	109	104	96	106	98	100	100
Hydrocarbons	100	95	99	98	94	105	100	101	97
Lead	100	92	72	61	59	64	60	45	35
Sulphur dioxide	100	108	131	130	101	112	86	62	64
Solid particles	100	99	95	80	62	68	55	44	37

Note: According to the OECD methodology, the index of development of specific transport emissions has been applied to the number of inhabitants.

P1.2. Environmental Implications of Economic Development

Despite of positive changes since 1990, the **intensity of energy consumption** is still higher by 20% in the CR in comparison to the average of the EU Member States. The current situation is the result of the legacy from the past, of the economy's structure and of the fact that the measures focusing on energy savings and on optimal utilisation of renewable sources were not given sufficient priority when obsolescent technological equipment was replaced in some of the industries (even though, according to the estimates made by the Ministry of the Environment, the total long-term potential capacity of renewable sources is as high as 30% of the current energy consumption). At the same time, the adverse structure of consumption of primary energy sources prevails in spite of a slight drop in the share of coal.

International Comparison of the Situation and Development of Energy Industry Indicators in the CR, the EU and the OECD countries

Indicator	CR (1994)	CR (1999)	CR (2000)	EU ^{a)}	OECD ^{a)}
Primary sources of energy (coet/inhabitant)	3.9	3.6	3.7	3.8	4.6
Energy consumption intensity (coet/USD 1,000 of GDP)	0.34	0.27	0.27	0.22	0.26
Structure of primary sources of energy (%):					
- coal	58	51	51	18.8	23.9
- oil	17	20	20	42.1	42.1
- natural gas	14	20	20	21.3	20.6
- other	11	9	9	17.8	13.4

Source: Detached Statistical Unit at the Ministry of the Environment (SOSŽP)

Notes:

- According to the OECD methodology, USD and purchasing power standard were used to calculate some of the GDP-related indicators.
- 1 coet (crude oil equivalent tonne) = 41.868 GJ
- ^{a)} Data mostly from the late 1990s (1997-1998), some data from mid-1990s due to unavailability.

Raw Material Intensity of the Economic Growth. Exploitation of the majority of raw materials dropped in 1992-1995. In 2000, the exploitation stabilised in comparison to 1999 for black coal, construction stone, gravel sand, limestone and dolomites (changes by 1-2%), increased for brown coal (12.8%) and decreased for clay (by 5.5%). So far, modern technological procedures introducing savings in the utilisation of non-ore raw materials and construction materials as well as the amount of energy used during exploitation and processing of raw materials have not been implemented sufficiently and sorting of municipal waste is also not functioning as desirable. The CR still has an unused potential for use of secondary materials, in particular recycling of construction materials, to reach a level comparable to that of the EU Member States. (*Source: Resolution of the Government No. 1311/1999, Natural Resource Policy and Management*).

Integrated Introduction of Cleaner Production and Environmental Control Systems. By signing the relevant declaration in 1999 the CR joined the global cleaner production programme. In order to create conditions allowing to meet the Government's responsibilities established by the programme, the Government of the CR adopted Resolution No. 165 on the National Cleaner Production Programme on 9 February, 2000. The objective of the programme is to change the attitude taken by enterprises, local and central government as well as the public to the choice of environmental protection measures in industrial and other activities including provision of services.

Since 1996, there have been efforts to launch the integrated introduction of cleaner production and environmental control systems according to voluntary ISO 14 000 standards and also according to Council Regulation (EEC) No. 1836/1993 concerning eco-management and audit scheme (EMAS). The main ISO 14 000 (environmental management) standards that are gradually incorporated by the Czech Standardisation Institute (CSNI) into the CSN system of standards include:

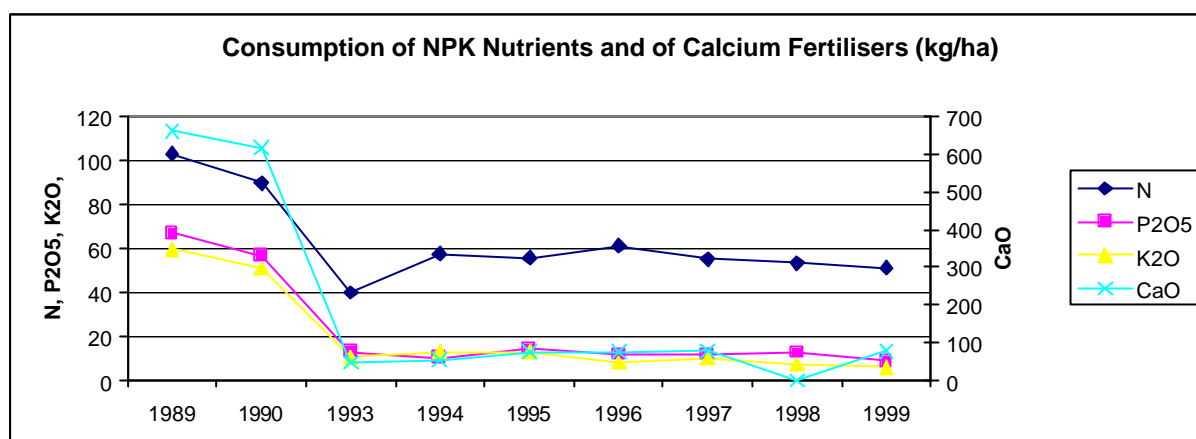
- *Environmental Management Systems (EMS)* – the number of enterprises that have introduced or are introducing environmental management systems according to ISO 14 001 (EMS) has been increasing since 1997. As at 30 June, 2002 there were 247 enterprises with a certified or validated EMS system in place in the CR.
- *Eco-labelling* governed by standards ISO 14 020 is not applied in practice in the CR as in 1993 the National Programme for Labelling Products with the “Environmentally Friendly Product” Label was adopted, roughly corresponding to the eco-labelling methods included in amended Council Regulation (EC) No. 1980/2000 on a revised Community eco-label award scheme. Between June 1994 and 30 June, 2001 the “Environmentally Friendly Product” label was awarded to approximately 260 products and there were 111 licences granted in 28 product categories produced by 44 companies out of which 24 were Czech and 20 foreign owned.
- *Life Cycle Assessment (LCA)* is addressed by ISO 14 040 standards. This method has a big potential in dealing with environmental impacts of products and services both at the industrial level as well as at the level of central and local government. Unfortunately, its employment remains at a very low level in the CR.

P1.3. Environmental Implications of Tourism

The existing support to tourist activities from public funds has only slightly focused on regionally differentiated forms of tourism that would consider the natural and cultural potential as well as the nature, landscape and cultural heritage that are vital to the sustainable development of this particular sector. Until 2001 environmental issues had not been systematically taken into account when planning development of tourism in the CR in compliance with the national strategic documents in the environmental area and with the recommendations issued by the 7th Session of the General Assembly of the United Nations and its Sustainable Development Committee.

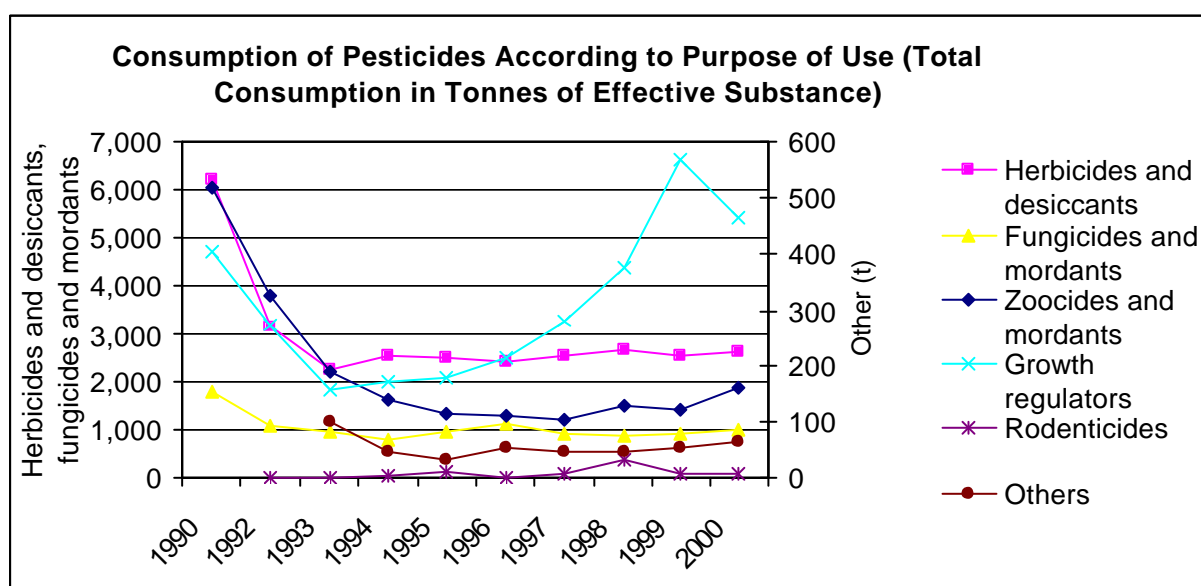
P1.4. Environmental Implications of Agriculture

Year 2000 confirmed the trend (lasting since 1989) of decreasing load imposed by agricultural activities on the environment. In 2000, the consumption of artificial fertilisers was 75.9 kg of pure NPK nutrients per one hectare of agricultural land (see the Table below) and remains generally far below the average consumption per hectare reported by developed EU Member States. However, the reduction in consumption of artificial fertilisers is very uneven and some of the crops are fertilised relatively intensively (corn, oilseed rape, wheat and sugar beet). The risk of contamination therefore relates mainly to these crops.



Source: Ministry of Agriculture

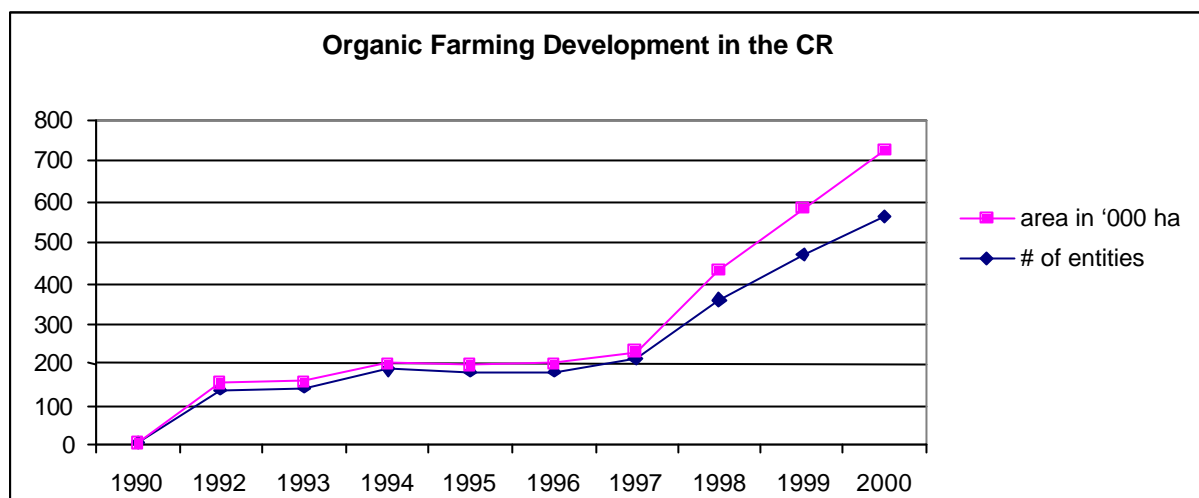
The total consumption of crop protection agents in 2000 was 1.0 kg of effective agents per one hectare of agricultural land. In comparison to the EU countries, the total consumption is markedly lower due to a weaker economic position of Czech farmers. As a result of the use of a more accurate application technology, more economical methods and more efficient substances, the efforts to reduce the load imposed by effective substances and their residua on the environment are being successful. Further reduction of the load is conditioned by strict observance of technological processes, extensive implementation of the newest technologies and further expansion of the systems of organic farming.



Source: Ministry of Agriculture

Year 2000 saw a substantial increase in the number of agricultural entities farming in an environmentally friendly manner as well as an increase in the total area to which the system of organic farming is applied (Table IV.18). Development of organic farming launched in 1998 thus maintained its dynamics and reaches to the levels of some of the EU Member States. Almost a half of the total area was only in a transition period which, however, is quite promising in terms of a large increase in the production of top-rank certified organic products. Due to the relatively large increase in the number of organically farming entities it seems very

desirable to pay attention to the control of entities newly applying for certification to avoid violation of organic farming standards and deterioration of the quality of their produce.



Source: Ministry of Agriculture

One of the perspective trends in the utilisation of agricultural land is the production of renewable raw materials for the purpose of energy generation. Apart from supporting the production of biopetrol and bioethanol, there were conditions established in 2000 supporting the production of biomass for energy generation purposes. The technologies for production of pellets and briquettes out of biomass were further developed as well as technologies for production of biogas and combustion of straw. Approximately 140,000 tonnes of biomass were processed into briquettes or pellets of which 80% was exported. Setting up of wood plantations as well as their maintenance were incorporated into the support programmes run under the Ministry of Agriculture in 2000. In 2000 renewable sources of energy accounted for 2.2% of the total amount of energy produced in the CR with the biomass alone accounting for 1.6%.

The production of rape seed oil methylester exceeded 67,000 tonnes doubling the production figure from 1999. In connection with this development, the imports to the CR dropped by more than 80%. The production was subsidised with the total amount of CZK 33m. The production of mixed fuel (biopetrol) exceeded 227,000 tonnes, which almost covered the annual consumption (232,000 tonnes). CZK 589m were spent on subsidising the production of biopetrol. The preparations for the production of bioethanol (fermentation alcohol) took place in the North-West region where the wheat production of up to 70,000 ha is expected to be processed.

Own utilisation of renewable sources of energy directly within the agricultural sector is still in its beginnings, however the experience gathered so far shows there is a realistic possibility to substitute fossil fuels with renewable sources. Basic prerequisites for the utilisation of renewable sources of energy in agriculture and in food production were met in 2000. In this connection, particular stress needs to be put on the use of biogas as it will enable efficient utilisation of the biomass obtained from grass lands that is causing particular problems especially in areas with less favourable farming conditions.

Appendix No. 2

Particular Recommendations of the SEA Team on Chapter II – Objectives, Strategies and Priorities

The SEA Team recommends to amend the wording of Chapter III.2.2. Objectives and Strategies of the NDP using the following comments on the NDP specific objectives. In order to follow the changes in the text, the NDP has been revised (proposals of the SEA Team marked with colour):

Strengthening of Competitiveness Leading to Economic Growth

Strengthening of competitiveness leading to economic growth is a fundamental specific objective of the NDP and one of the most important components of the global objective of “*Sustainable Development Based on Competitiveness*”. Strengthening of competitiveness leading to economic growth is linked to an overall development of society and conditioned by the quality of human resources. So the given specific objective also combines other specific objectives, which implicate one another and have no sharp line among them.

Competitiveness as well as economic growth are affected by a range of external and internal factors. The experience to date as well as the analysis and description of the situation in the CR (for details see Chapter I of the NDP and the SWOT analysis) imply the necessity to promote overall restructuring and modernisation of the economy and to complete reforms facilitating improvement of its competitiveness.

In order to reach a given specific objective it is therefore necessary to support those areas that can substantially contribute to qualitative transformation of the economic growth in the CR into a growth fully competitive with the EU.

Economic growth is affected by the development of **macro-economic indicators**. In the case of the CR, the strengths include fast GDP growth, as compared to the EU, massive inflow of foreign direct investments facilitated by the system of investment incentives, a relatively high degree of market liberalisation, stable inflationary development and circumspect monetary policy. On the contrary, the weaknesses encompass the strong influence of the external economic environment under the circumstances of economic openness, a strong exchange rate of the koruna impairing export capabilities of some industries, and lower labour productivity, as compared to the EU Member States. The essential limiting factor is persistent fiscal imbalance, which remains the most serious problem of economic development both now and in the future. The main cause of the deficit tendencies is both impacts of transformational costs and costs related to the economic restructuring and modernisation to date and the structure of public expenditures. Excessive budget deficits, growth of public debt and a high share of mandatory expenditures from the national budget, these all tie up productive public expenditures. Therefore, the key objective of the fiscal policy is gradual fiscal consolidation, which may have a short-term negative impact on the pace of economic activities, but at the same time is a necessary prerequisite for their long-term sustainable growth.

The basic conditions for the development of the Czech economy include **completion of the process of restructuring industrial enterprises**, introduction of new technologies and explicit increase of support for, and the role of small and medium-sized enterprises.

What is beneficial from the viewpoint of **conditions for the functioning of the entrepreneurial sector** is the above-mentioned effective system of investment incentives. The purpose of the entire system of investment incentives is to promote inflow of both foreign and domestic investments, thus inciting restructuring of the Czech industry. The incentive system is being improved on an ongoing basis so that it could be used to support innovations. The weaknesses are low linkage of foreign investors with domestic suppliers as well as the fact that so far the CR has accommodated a portion of production requiring little research and development (mainly assembly plants).⁴ The capability of domestic enterprises to participate in production and export of enterprises under foreign control is still low, particularly with respect to supplies of technology-intensive components. The domestic corporate sector suffers from a lack of funds, which cannot be made up for even by increased inflow of foreign investments. Other limitations are the excessively big financing role of banks and the insufficiently developed capital market. Development of corporate sector's own sources is negatively affected by high tax burden.

The process of **restructuring of enterprises** is unbalanced. Restructuring of export-oriented firms with a foreign owner progresses faster than that of domestic firms and financial results of the corporate sector as a whole started to improve particularly thanks to the development of enterprises in foreign ownership. Lack of funds can be seen not only in operational and developmental financing but also in respect of development, or purchase, of new technologies. There is insufficient linkage between enterprises and scientific, research and development institutions. Development of the competitiveness of the corporate sector is thereby strongly limited.

Development of **small and medium-sized enterprises** should have big influence on performance and technological level of the economy as well as on reducing unemployment and increasing competitiveness. Despite the growing importance of SMEs, their economic potential is wasted, particularly due to the limited access to funding and corporate counselling. Although there are support mechanisms and programmes for SMEs, there is a lack of funds to help fulfil these programmes. At the same time, neither banks nor the capital market have been able to respond to SMEs' needs so far.

Therefore, it is necessary to create conditions for raising the level of investments in the manufacturing industry, ensure sufficient volume of capital available for investments in modern projects aimed at improving the technical and technological level and structure of production in the manufacturing industry so as to boost the share of added-value products in both production and exports. Apart from the support of domestic savings, the basic prerequisite is continuous foreign capital inflow, not only its increased volume in the economy but also its orientation to more efficient co-operation with domestic enterprises. In the corporate sector support will be provided particularly to programmes unambiguously benefiting the restructuring and revitalisation processes and to programmes promoting development of small and medium-sized enterprises. At the same time, the weight of the

⁴ *Comment: This is in contrary to one weakness – the strong koruna – the strong exchange rate of the koruna reduces the export capability of certain enterprises, but a priority of the CR development should be export policy with a special focus on products with higher added value.*

volume of aid flowing from public funds to large companies, on the one hand, and to small and medium-sized enterprises, on the other hand, should be revised.

The main economic growth factors on an international scale include the **quality of human resources** – making best of labour force potential. The measures of active employment policy should focus more on target groups with an apparent link to market needs; the educational system has not been able to react flexibly to the issue of structural unemployment and at the same time the system of lifelong learning has not been developed sufficiently either. What seems highly topical in this respect is a reform of the educational system and its connection to the scientific research area.

In order to achieve a qualitatively new economic growth, it is necessary to support the **area of research and development**. Unfortunately, the results of the research and development policy have not been very good so far in the CR and once again the fundamental problem is a lack of funds. Despite of a relative lack of funds priority should be given to the efficient allocation of available funds and more efficient links between research and development and the needs of the society.

Economic growth is impossible without the existence and development of **transport infrastructure**. The most important factors in the given area include completion and efficient use of the transport network, particularly connection of the key road and railway routes to the Trans-European Network and also improvement of the regional and local transport networks with emphasis placed on higher preference of mass transport to individual transport. The outcome should be a positive impact on the economy as a whole, on levelling of regional differences, on the labour market and on trade flows.

One of the preconditions for competitiveness of the Czech economy is establishment of a fully competitive **agricultural sector**, also with respect to the development of its non-productive functions. The fundamental prerequisite for the competitiveness of its productive function is development and stabilisation of the business environment in the agriculture and food industries - modernisation and restructuring of enterprises so as to achieve an efficient structure of the domestic agricultural market and rising labour productivity.

Competitiveness of the economy and the quality of development of the entire society is conditioned also by the quality of the institutions setting the framework for performance of the particular sectors of society, therefore substantial progress has to be made in this area above all. It is necessary to mention the importance of curbing corruption and economic crimes – there is still fear of these negative phenomena, or of their impacts on the economic climate in the CR.

Implementation of the measures contained in the following priority axes of the National Development Plan should make a contribution to the achievement of the specific objective of Strengthening of Competitiveness Leading to Economic Growth:

- **Increasing competitiveness of industry and business services;**
- **Development of transport infrastructure;**
- **Human resources development;**
- **Rural development and multi-functional agriculture.**

Improving the Skill Level, Competitiveness and Mobility of Labour Force

Skilled, competitive and mobile labour force is a prerequisite for the achievement of the NDP global objective. The importance of skilled and mobile labour force lies in two areas – first, it is a prerequisite for sustainable economic growth, providing needed inputs based upon qualification and flexibility, and second it is a factor significantly influencing its competitiveness in the labour market, which will ultimately make a contribution to the solution of unemployment-related problems, particularly in the structurally affected regions. An integral part of the solution of labour-related issues is promotion of social mobility and addressing of issues pertaining to specific social groups.

An absolute unemployment rate is not high, however, what is alarming is the trend of development of this indicator and the negative signs of structural unemployment. The reason is the ongoing and hitherto unfinished restructuring of some industries. Despite of relative homogeneity of its regions, there are some regions in the CR featuring higher concentrations of structural issues (North-West and Moravia-Silesia). Despite of a substantial increase in the share of services the weight of the tertiary sector in the regions remains low (particularly as compared to the EU).

All the key components of the specific objective along with the overall strengthening of the Czech economy competitiveness will have influence on solving the unemployment issues.

The key components of this specific objective are:

- **Improving the Skill Level of Labour Force**

Improving and adapting the current skill level of the labour force is conditioned by the development and strengthening of lifelong learning systems. The objective is establishing of a decentralised and flexible system that will be able to react quickly to changing needs of the labour market on local and regional levels. At the same time, this system should also cover global changes of requirements for the skill level of the labour force and lead to increased employment on the labour market, along with improved access to employment for groups and individuals in danger of social exclusion. Creation of such systems requires increased involvement of a wide range of entities in the process of education. Implicitly, this system will make a significant contribution to boosting the competitiveness of Czech enterprises and will result in more flexibility for the labour market and ultimately in declining unemployment.

- **Flexible System of Education Responding to the Needs of the Labour Market**

In terms of development of new jobs and chances of self-fulfilment for school graduates on the labour market, the weakness is the inflexible school system, which produces a problematic structure of skills among graduates of vocational schools, secondary schools, colleges and universities. The objective is creation of the educational system that would be flexible and could adapt its educational programmes, and thereby the structure of graduates, to the needs of the labour market and long-term changes in educational requirements, creating basic prerequisites for future employability of graduates and development of lifelong learning. Along with improving the skill level of the labour force, this factor is decisive for reaching the specific objective and solving the issues of structural unemployment.

- **Promoting Employment Mobility of the Labour Force**

Mobility of the labour force comprises the geographical and skill components. The issues related to geographical mobility are addressed within the framework of the first specific objective. The objective is establishing and developing such a system of employment mobility

that would allow changes in the employment structure, having no major negative impacts on the overall employment level.

- **Advancement of Research and Development**

The key factor for improving the skill level of the labour force and strengthening its competitiveness is interconnection with the scientific research sector in the field of education and lifelong learning.

The following priority axes will contribute to the achievement of this specific objective:

- **Increasing competitiveness of industry and business services;**
- **Human resources development.**

Approximating the EU Standards in the Environmental Area

Environmentally-friendly approach to the environment is a necessary precondition for sustainable development of the CR. A majority of indicators rating the environmental level in the CR are lagging behind those of the EU countries. To a large extent, this situation was inherited from the communist regime, which had seen the environment more or less as a barrier to the pursuit of planned economic growth.

Since the fall of communism there has been a demonstrable improvement of indicators in the environmental sector, partly as a result of the overall economic decline but particularly thanks to the extensive investments in early 1990s. However, these were rather funds to address the most burning issues which had remained unsolved for decades (water and air quality, waste disposal, etc.). In harmony with the principle of environmentally-friendly modernisation, these seemingly inefficient investments indirectly encouraged economic growth by raising the GDP value and creating new jobs. The success of this strategy also serves as a positive example of appropriate investments and shows a way to be applied when using money from the EU Structural Funds.

It is obvious that it has been impossible to remedy all environmental problems so far. Currently, in accord with the global trend in the environmental area, the CR switches over to a modern strategy of integrated management. As far as environmental issues are concerned, preference is to be given to the principle of prevention, i.e. all impacts of economic activities on the environment will be considered, problems will be resolved at the pollution source and costs of their elimination will be included in manufacturing costs. Therefore, based on continuous monitoring and evaluation of the efficiency of the individual tools, an important task is harmonisation of remedial measures and modern elements of protection of the environment.

The first environmental area in which the CR lags far behind the EU and which will require most investments in the coming years is the issue of drinking and waste water, air pollution from local to global levels, transfer to renewable energy sources and more efficient use of energy, waste management, elimination of **“old burdens”** in the area as well as those related to military activities. Improved environment both in cities and in the countryside will help build **technical and transport infrastructure**.

In connection with the accession of the CR to the EU, the role of agriculture in the preservation of the landscape pattern of the CR has moved to the forefront as well. In order to avoid that catastrophic scenarios regarding the fate of the Czech countryside come true after the accession to the EU, it will be necessary to devote a considerable portion of the money

from the Structural Funds to **non-productive functions** of agriculture. The objectives set for the field of protection and stabilisation of rural areas cannot be reached unless these functions are supported significantly. There have already been examples of the success of this strategy, which, if not supported sufficiently, could however fall victim to the mechanisms of the EU Common Agricultural Policy.

Solution of the above-mentioned tasks within the framework of the specific objective of Approximating the EU Standards in the Environmental Area will be dealt with at the level of the following priority axes:

- **Protection and improvement of the environment;**
- **Development of transport infrastructure;**
- **Rural development and multi-functional agriculture ;**
- **Human resources development.**

Balanced Development of Regions

The CR, which is generally characterised by similar problems and opportunities in the individual cohesion regions (with the exception of the capital city of Prague), has developed certain differences in the extent of social and economic development of the regions of the CR and there is an assumption of further growth of regional differences as a result of pursuing selective processes and different sector impact of economic transformation.

Prevention of negative results of the regional differentiation has to be understood as one of the main preconditions of internal cohesion and stability of the country as a whole and that is why **balanced development of regions** is one of the NDP's specific objectives. Reaching this objective will be supported in particular by increasing the overall competitiveness on the regional level based on using the existing strengths and development stimuli accompanied by elimination of factors that are obstacles to development identified as weaknesses of the regional development. The biggest support (the highest volume of allocated funds) will be given to structurally affected regions; however, all regions of the CR will be supported from the point of view of creating economically sustainable forms of support involving re-using of sources and thus establishing conditions for reaching sustainable economic development.

The basic strategy of reaching a balanced development of regions is a pro-growth strategy, based on activating the insufficiently used potential and support of economic development accompanied by the balancing element guaranteeing decrease in interregional differences and support to economically weaker areas.

Regional problems can be identified on two levels: through existence of economically weak or structurally affected regions, and through the existence of weak or structurally affected micro-regions. These two levels of possible regional problems are also reflected in the level of relevant intervention (the state administrative level in the first case and the regional administrative level in the second case).

The most significant regional problem is the existence of **structurally affected regions** affected by negative influence of industrial restructuring along with disturbed environment and high unemployment rates with significant elements of long-term structural unemployment (on the level of cohesion regions this applies to North-West and Moravia-Silesia). The basic element of reaching a balanced development of structurally affected regions is the support of

economic growth and increase of economic performance and competitive abilities of economic entities located in the relevant region. Human resources development is an important element of providing for increased performance.

On the level of micro-regions there are specific problems of the **rural area** that are related to a rather low effectiveness and stagnating restructuring of the agricultural sector, negative demographic trends, low number of job opportunities, worse accessibility and insufficient level of technical infrastructure and services. However, in the rural areas there are at the same time favourable conditions for diversification of economic activities and the objective will be to provide for the overall economic and social rural development of the regions. That will also be supported by an increased competitiveness of the agriculture.

The density and structure of inhabitants of the Czech regions is comparable to the EU. In the individual regions there is a relatively sufficient amount of qualified and adaptable workers, a relatively dense network of schools and the regional employment policy is developing. In general, a **low mobility of the labour force** is present (in the geographical and professional senses). There is a lack of public transport in the regions and due to delayed construction and reconstruction the transport infrastructure is on a low level. At the same time, the quality of transport infrastructure is an important factor of the quality of life in the regions and the regional and local transport networks therefore need to be adjusted to future requirements. The precondition of further development of regions is also a development of the sector of information and communication technologies.

The regions of the CR are characterised by a rather balanced economic maturity (only Prague has a specific status); they can extend the long-term tradition of the industrial production, they show an inflow of the international investment supported by the system of investment incentives and they reflect development of structural changes. Small and medium-sized enterprises have small export ability and they participate in activities of foreign direct investors in the CR with difficulties. On the regional level, **restructuring of the economic platform** will be supported and competitiveness will be strengthened in particular through the support of development of small and medium-sized enterprises and creation of conditions for development of tourism.

The following priority axes will contribute to reaching the specific objective of Balanced Development of Regions:

- **Increasing competitiveness of industry and business services;**
- **Development of transport infrastructure;**
- **Human resources development;**
- **Protection and improvement of the environment;**
- **Rural development and multi-functional agriculture;**
- **Development of tourism.**