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| **Component 3.3 MODERNISATION OF EMPLOYMENT SERVICES AND LABOUR MARKET DEVELOPMENT** | |
| **Investment/ reform CID reference** | **Investment 1** |
| **Investment/ reform name** | **Development of labour market policies** |
| **Type of change compared to CID** | [modified] |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 1: Development of labour market policies – Target 187** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | No change | No change |
| ***Milestones and targets*** | Number of people who received reskilling and upskilling in digital skills and skills needed for Industry 4.0  At least 65,000 people will upgrade or retrain in digital skills. In addition, at least 65,000 people will upgrade or retrain in skills needed for Industry 4.0.  Support for skills upgrading and retraining will be provided through the Labour Office of the Czech Republic or through corporate training provided by employers**.** Selection criteria will ensure that priority is given to SMEs and the self-employed.  130 000 people  Q4/2025 | Number of people who received reskilling and upskilling in digital skills and skills needed for Industry 4.0  At least 65,000 people will upgrade or retrain in digital skills. In addition, at least 65,000 people will upgrade or retrain in skills needed for Industry 4.0.  Support for skills upgrading and retraining will be provided through the Labour Office of the Czech Republic or through corporate training provided by employers **or professional and business associations.** Selection criteria will ensure that priority is given to SMEs and the self-employed.  130 000 people  Q4/2025 |
| ***Estimated cost*** | 6 500 mil. CZK | No change |
| ***Green and digital tagging*** | Digital tagging 100%, resp. 40 % | No change |
| ***DNSH self-assessment*** | No change | No change |

The target will be met. This is only a refinement of the verification mechanism.

The change will have a positive impact as it will clarify how to evidence achievement of the target and expand the range of education providers.

In the context of the previous experience in the administration of support in OP Employment/OP Employment+ calls, it has proved crucial to include associations of companies and their umbrella organisations among the eligible beneficiaries. Through these actors, contact is made with the segment of SMEs and also self-employed persons, whose support is preferred by the EC. The range of target groups corresponds to making support available also to entities (and their employees) which, for example, due to insufficient administrative capacity to implement their own project or insufficient scope of project activities, remain excluded from the envisaged support. An important element is also the similar focus of enterprises in the different umbrella organisations and associations. In view of the calls for these entities in the OP Employment/OP Employment+, which have been announced and implemented so far and whose administration has been on the side of the MoLSA, it seems important to broaden the range of potential applicants and beneficiaries.

As there is only the involvement of associations and a change in the verification mechanism and no change in the substance of the reform or investment that was the subject of the initial assessment in the setting of the National Recovery Plan, we leave this section without further addition.

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| **Component 3.3 MODERNISATION OF EMPLOYMENT SERVICES AND LABOUR MARKET DEVELOPMENT** | |
| **Investment/ reform CID reference** | **Investment 2** |
| **Investment/ reform name** | **Increasing the capacity of pre-school facilities** |
| **Type of change compared to CID** | [modified] |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 2: Increasing the capacity of pre-school facilities – Target 189** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *-* Investment in new capacities shall contribute to climate objectives by increasing energy efficiency as follows:   1. 25% shall be allocated to new constructions with primary energy demand at least 20% below the nearly zero-energy buildings requirement. 2. 45% shall be allocated to energy efficiency renovations, achieving on average either at least 30% primary energy savings or at least a 30% reduction of direct and indirect greenhouse gas emissions. 3. 30% shall be allocated to other energy efficiency renovations.   The investment shall be completed by 31 December 2025. | *-* Investment in new capacities shall contribute to climate objectives by increasing energy efficiency as follows:   1. 45% shall be allocated to energy efficiency renovations, achieving on average either at least 30% primary energy savings or at least a 30% reduction of direct and indirect greenhouse gas emissions. 2. 55% shall be allocated to other energy efficiency renovations or new constructions with primary energy demand at least 20% below the nearly zero-energy buildings requirement.   The investment shall be completed by 30 June 2026. |
| ***Milestones and targets*** | Of the overall objective to refurbish 370 facilities, at least 333 shall be refurbished, to comply with the new technical standards set by the amendment of ct No 247/2014 on the provision of childcare services in a child group (Child Group Act) or to expand capacity.  Timeline for completion: Q4/2025 | No change  Timeline for completion: Q2/2026 |
| ***Estimated cost*** | 6 993 mil. CZK | **8 485,6 mil. CZK** |
| ***Green and digital tagging*** | No change | No change |
| ***DNSH self-assessment*** | No change | No change |

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| **Component 3.3 MODERNISATION OF EMPLOYMENT SERVICES AND LABOUR MARKET DEVELOPMENT** | |
| **Investment/ reform CID reference** | **Investment 2** |
| **Investment/ reform name** | **Increasing the capacity of pre-school facilities** |
| **Type of change compared to CID** | modified] |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 2: Increasing the capacity of pre-school facilities – Target 190** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** |  |  |
| ***Milestones and targets*** | Of the overall objective to establish 435 new nurseries, at least 391 shall be created, by constructing new buildings and by renovating existing buildings. The investment includes the use of grant support as follows:   * At least 98 shall be new constructions with primary energy demand at least 20% below the nearly zero- energy buildings requirement. * At least 176 shall be renovations achieving on average either at least 30% primary energy savings or at least 30% reduction of direct and indirect greenhouse gas emissions. * At least 117 shall be other energy efficiency renovations.   Timeline for completion: Q4/2025 | Of the overall objective to establish 435 new nurseries, at least 391shall be created, by constructing new buildings and by renovating existing buildings. The investment includes the use of grant support as follows:   * At least 176 nursery renovations shall achieve on average either at least 30% primary energy savings or at least 30% reduction of direct and indirect greenhouse gas emissions.   Furthermore, the relevant calls shall require that all nurseries shall be new constructions with primary energy demand at least 20% below the nearly zero-energy buildings requirement or shall be other energy efficiency renovations.  **Timeline: Q2/2026** |
| ***Estimated cost*** | 6 993 mil. CZK | **8 485,6 mil. CZK** |
| ***Green and digital tagging*** | No change | No change |
| ***DNSH self-assessment*** | No change | No change |

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| **Component 3.3 MODERNISATION OF EMPLOYMENT SERVICES AND LABOUR MARKET DEVELOPMENT** | |
| **Investment/ reform CID reference** | **Investment 2** |
| **Investment/ reform name** | **Increasing the capacity of pre-school facilities** |
| **Type of change compared to CID** | [modified] |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 2: Increasing the capacity of pre-school facilities – Target 191** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *-* | *No change* |
| ***Milestones and targets*** | *Creation of at least 7430 new places in pre-school facilities for children below the age of three. These facilities shall be distinct from the facilities financed from other Union funding programmes.*  *By Q4/2025* | *Creation of at least 7 430 new places in pre-school facilities for children below the age of three. These facilities shall be distinct from the facilities financed from other Union funding programmes.*  ***By Q2/2026*** |
| ***Estimated cost*** | 6 993 mil. CZK | **8 485,6 mil. CZK** |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

Future inflation was not taken into account in the original costing, i.e. the project budget was calculated for the entire implementation period at the same level and its determination took place in June 2021, therefore we take inflation into account in our calculations only now and we rely on data that are publicly available.

In the original costing, inflation of 2% was used in the determination of the budgets, but only as a recalculation of the project budgets from 2015 (CZK 11.6 million) to the budget in 2021 (CZK 13.1 million) used in the costing in the creation of the CID/OA, i.e. The following is a way to determine the increase in the cost of projects over time and to take into account the reasons for the increase in allocation described earlier.

The calculation is based on the European comission's forecast of the expected inflation rate for 2022-2024, where the average project cost from January 2022 is multiplied by the expected inflation for 2022 of 15.8%, then multiplied by the expected inflation for 2023 and 2024. Although the overall inflation between 2021 and 2024 compared to the budget presented in the CID comes out to 36.83% , it cannot be applied to the total allocation for this objective. The inflation forecast in each year needs to be related to the estimates of the number of approved projects and their budgets in each year, see table below. We estimate that 10% of the total allocation will be approved in 2022 and 30% of the allocation each year thereafter. The new allocation needed to achieve the set targets is then equal to the product of the average budget and the number of projects in each year.

The project budget is divided into 10% of non-investment costs and 90% of investment costs.

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|  | Budget according to CID | Update to 1/2022 | Accounting for inflation over the year 2022 | Accounting for inflation for the year 2023 (9,3 %) | Accounting for inflation for the year 2024 (3,5 %) |
| Project budget | 13 100 000 | 14 000 000 | 15 845 200[[1]](#footnote-1) | 17 318 803,60 | 17 924 961,73 |
| Number of approved projects |  | 10 % allocation,  i.e. 38 | 30 % allocation,  i.e. 117 | 30 % allocation,  i.e. 117 | 30 % allocation,  i.e. 119 |
| Funds for approved projects |  | 532 000 000 | 1 853 888 400 | 2 026 300 021,20 | 2 133 070 445,87 |

The original allocation for this objective was CZK 5 128 200 000 (after deduction of 10% for equipment and facilities from the amount of CZK 5 699 500 000) and the new calculation is CZK 6 545 258 866.59. After adding 10 % for expenditure on equipment and facilities, the resulting allocation is equal to 7 272 509 852,30, an increase of 1 573 009 852,30 CZK. Podkladové výpočtové tabulky se liší od nově navrhovaného finančního požadavku z důvodu nutnosti ponížit celkovou grantovou alokaci plánu,aby nedošlo k jejímu překročení.

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|  | CID | new (after inflation) |
| budget for new facilities ( T 190) | 5 128 200 000 | 6 545 258 867 |
| budget with 0% climate (calculated in T 189) | 569 950 000 | 727 250 985 |
| *Sub total budget* |  | *7 272 509 852* |
| budget for reconstruction of existing facilities (T 189) | 1 294 850 000 | 1 294 850 000 |
| **Total budget for 189 and 190** | **6 993 000 000** | **8 567 359 852** |

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| **Component 3.3 MODERNISATION OF EMPLOYMENT SERVICES AND LABOUR MARKET DEVELOPMENT** | |
| **Investment/ reform CID reference** | **Reform 3** |
| **Investment/ reform name** | **Reform of long-term care** |
| **Type of change compared to CID** | modified |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Reform 3: Reform of long-term care – Target 193** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | No change | No change |
| ***Milestones and targets*** | Entry into force of the law on long-term care  The law on long-term care shall  • aim at integrating health and social long-term care;  • ensure high quality standards for all types of long-term care services;  • promote community-based care and home care ensuring independent living in natural environment ;  • ensure a stable system of adequate financing of the long-term care services, including for community-based and home care;  • define rules on monitoring of quality of care, requirements for the staff (including qualifications) and equipment;  • allow for access of private LTC providers while applying the same rules and quality standards to all providers.  Q4/2023 | Entry into force of the law on long-term care  No change  Q4/2024 |
| ***Estimated cost*** | No change | No change |
| ***Green and digital tagging*** | No change | No change |
| ***DNSH self-assessment*** | No change | No change |

The Czech Republic, represented by the Ministry of Labour and Social Affairs, requests for Measure No. 193 "Reform No. 3: Reform in the field of long-term care" to postpone the deadline of the milestone "Adoption of the Long-Term Care Act", which is currently set for Q4 2023, to a new deadline of Q4 2024.

Rationale: The Ministry of Labour and Social Affairs is currently working on comprehensive fundamental reform legislation affecting three areas:

* reform of social services,
* reform of the legal framework for the regulation of social workers and social service workers; and
* reform of child protection and family support.

All three laws will be submitted to the Government of the Czech Republic at the turn of 2023/2024 and the legislative process will start in Q1 2024. The reforms are scheduled to take effect on January 1, 2025.

The first two laws are very closely related to the area of long-term care, because although this issue is anchored in several legal norms in the Czech Republic, the Social Services Act is the key one. The planned changes in the area of social services and regulation of social workers and social service workers are aimed, among other things, at improving access to affordable high-quality long-term care, including adjustments in areas such as the quality of care provided or setting up appropriate mechanisms to link and coordinate the previously separate spheres of social and health care aimed at improving the quality of life of persons. In addition, these reforms are also intended to address the currently inequitable financial remuneration of workers, both on the basis of gender and employer (public administration x non-profit sector x private sector).

While finalizing the mentioned laws, we found that it is very inefficient to solve the reform of social services and long-term care separately, and it is also now evident that it is risky to create personnel standards in the conditions of long-term care, if the reform legislation addressing the status of social workers and workers is not completed in social services. Konkrétně se jedná o tyto oblasti:

* posílení sociální práce na obcích, jako základního nástroje pomoci v území, ve vlastním prostředí občanů,
* vytvoření účinného nástroje jednotného a koordinovaného sběru dat, jako základního nástroje pro plánování dostupnosti efektivní, kvalitní a cenově dostupné pomoci,
* vytvoření účinného nástroje flexibilní pomoci v území, který bude reagovat na individuální potřebu pomoci,
* zjednodušení dvojí sociálně zdravotní agendy

Nyní probíhají velmi intenzivní spolupráce všech aktérů (municipality lokální a regionální, poskytovatelé, pacientské a klientské organizace, ministerstva, profesní spolky, asociace, akademická sféra, odborníci). Je předpoklad větší a velmi efektivní změny

For these reasons, we would like to request a postponement of the deadline for meeting the mentioned milestone, so that the legal regulation of the field of long-term care can be coordinated in terms of time and content with a comprehensive package of reform regulations, including mutual interdependence, since these two areas cannot be dealt with separately.

If our request is approved, we would continuously inform the European Commission about the fulfilment of individual partial steps (submission of legislation to the government, approval of legislation by the government, initiation and termination of the legislative process).

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| **Component 3.3 MODERNISATION OF EMPLOYMENT SERVICES AND LABOUR MARKET DEVELOPMENT** | |
| **Investment/ reform CID reference** | **Investment 3** |
| **Investment/ reform name** | **Development and modernisation of social care infrastructure** |
| **Type of change compared to CID** | [modified] |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☒ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 3: Development and modernisation of social care infrastructure – Target 194** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | ***Investment 3: Development and modernisation of social care infrastructure****This measure aims at addressing the lack of social care infrastructure and the need to support the transition towards community-based social and long-term care in the Czech Republic.*  *Investments shall support the establishment of additional social care facilities infrastructure, either by reconstruction of existing building or by new constructions. These investment projects shall be implemented by the autonomous municipalities based on the assessment of territorial needs; ensuring that new and refurbished residential places are aligned to the UN Convention on the Rights of Persons with Disabilities. Investment into home-based and community-based care settings shall be favoured and the principle of freedom of choice and independent living shall be respected for all investment projects.*  *Investment in new capacities shall contribute to climate objectives by increasing energy efficiency as follows:*   1. one third of the allocation shall support new constructions with primary energy demand at least 20% below the nearly zero-energy buildings requirement. 2. one third of the allocation shall be earmarked for renovations achieving on average either at least 30% primary energy savings or at least 30% reduction of direct and indirect greenhouse gas emissions; 3. one third of the allocation shall be earmarked for renovations achieving on average neither at least 30% primary energy savings nor at least 30% reduction of direct and indirect greenhouse gas emissions.   The investment shall be completed by 31 December 2025. | ***Investment 3: Development and modernisation of social care infrastructure***  *This measure aims at addressing the lack of social care infrastructure and the need to support the transition towards community-based social and long-term care in the Czech Republic.*  *Investments shall support the establishment of additional social care facilities infrastructure, either by reconstruction of existing building or by new constructions and the development of the infrastructure of social services for prevention and consulting. These investment projects shall be implemented ~~by the autonomous municipalities~~ based on the assessment of territorial needs; The facilities shall ensure progress towards deinstitutionalisation of persons with disabilities in line with the UN Convention on the Rights of Persons with Disabilities, in particular the principles of independent living and inclusion in the community, notably freedom of choice.*  *Furthermore, to ensure progress towards the Convention, the Social Services Act shall be amended, in particular in areas linked to social service inspections and a complaint mechanism for the clients of social services.*  *Investment in new capacities shall contribute to climate objectives by increasing energy efficiency as follows:*   1. one third of the allocation shall be earmarked for renovations achieving on average either at least 30% primary energy savings or at least 30% reduction of direct and indirect greenhouse gas emissions; 2. two thirds of the allocation shall be earmarked for new constructions with primary energy demand at least 20% below the nearly zero-energy buildings requirement. or for other energy efficiency renovations.   *V původním CID je uveden chybně 3. typ klimatického koeficientu (opakuje se první a 3. bod - prosíme o úpravu v původním znění. Má být 3. One third of the allocation shall be earmarked to other efficienci renovations*  The investment shall be completed by 30 June 2026. |
| ***Milestones and targets*** | Number of community-based residential facilities constructed or reconstructed  At least 121 facilities shall be created, of which:   * 69 facilities shall be new constructions with primary energy demand at least 20% below the nearly zero- energy buildings requirement; * 26 facilities shall be renovated achieving on average either at least 30% primary energy savings or at least 30% reduction of direct and indirect greenhouse gas emissions. * 26 facilities shall be other energy efficiency renovations   The facilities shall be built/reconstructed in accordance with the conditions of the UN Convention on the Rights of Persons with Disabilities, in particular the principles of freedom of choice and independent living.  By Q4/2024 | **N*umber of community-based residential, outpatient, outreach,******prevention and counselling facilities constructed or reconstructed***  At least 94 facilities shall be created, of which at least 20 facilities shall be renovated achieving on average either at least 30% primary energy savings or at least 30% reduction of direct and indirect greenhouse gas emissions.  Furthermore, the relevant calls shall require that all facilities shall be new constructions with primary energy demand at least 20% below the nearly zero-energy buildings requirement or shall be other energy efficiency renovations.  *The facilities shall ensure progress towards deinstitutionalisation of persons with disabilities in line with the UN Convention on the Rights of Persons with Disabilities, in particular the principles of independent living and inclusion in the community, notably freedom of choice of where and with whom to live, control over daily activities and access to services in the community.*  **By Q4/2025** |
| ***Estimated cost*** | 8 328 mil. CZK | No change |
| Green and digital tagging | No change | No change |
| DNSH self-assessment | No change | No change |

**Facilities will be built/reconstructed in accordance with the technical parameters for social services within the National Recovery Plan, discussed and agreed upon by relevant stakeholders. The aim of the investment support is to gradually align the conditions of social care services with the UN Convention on the Rights of Persons with Disabilities.**

**Compromise** with the stakeholders on the technical parameters for social infrastructure.

A report confirming that the specifications, including technical specifications, of the projects are in line with the description of the target and the description of the investment in the CID as well as with the further specifications set out in these operational arrangements (including the technical parameters for social services, as **compromised** with all relevant stakeholders). This report does not have to cover the requirements associated with energy savings.

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| **Component 3.3 MODERNISATION OF EMPLOYMENT SERVICES AND LABOUR MARKET DEVELOPMENT** | |
| **Investment/ reform CID reference** | **Investment 3** |
| **Investment/ reform name** | **Development and modernisation of social care infrastructure** |
| **Type of change compared to CID** | modified |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 3: Development and modernisation of social care infrastructure – Target 195** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *Dtto 194* | ***Dtto 194*** |
| ***Milestones and targets*** | *Number of community-based residential facilities constructed or reconstructed*  *At least 288 facilities shall be created, of which:*   * *116 facilities shall be new constructions with primary energy demand at least 20% below the nearly zero-energy buildings requirement;* * *106 facilities shall be renovated, achieving on average either at least 30% primary energy savings or at least 30% reduction of direct and indirect greenhouse gas emissions.* * *66 facilities shall be other energy efficiency renovations achieving on average neither at least 30% primary energy The facilities shall be built/reconstructed in accordance with the conditions of the UN Convention on the Rights of Persons with Disabilities, in particular the principles of freedom of choice and independent living.*   *The measure is expected to create at least 5000 new beds in social care facilities.*  *By Q4/2025* | **N*umber of community-based residential, outpatient, outreach,******prevention and counselling facilities constructed or reconstructed***   * At least 228 facilities shall be created, of which at least 84 facilities shall be renovated achieving on average either at least 30% primary energy savings or at least 30% reduction of direct and indirect greenhouse gas emissions. * Furthermore, the relevant calls shall require that all facilities shall be new constructions with primary energy demand at least 20% below the nearly zero-energy buildings requirement or shall be other energy efficiency renovationsThe measure is expected to increase the capacity of residential, outpatient and outreach services to serve 3 958 more clients.   ***By Q2/2026*** |
| ***Estimated cost*** | *8 328 mil. CZK* | *No change* |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

The original costing did not take into account future inflation, i.e. the price per m3 was calculated for the entire implementation period at the same level and was determined in June 2021, but based on the data in the RTS system published in January 2021. Therefore, we are taking inflation into account in our calculations only now and are basing our calculations on data that are publicly available.

Below is a way of determining the evolution of the m3 price over time and taking into account the reasons for the reduction in the number of installations described earlier.

The calculation is based on two calculations. The first one is the increase of prices related to construction materials and works from the RTS price list for 2021 from the level of 7 510 CZK/m3 by the actual inflation rate in 2021 and 2022.

The second calculation is based on the European Commission's forecast expected inflation rate for 2023-2024, where the January 2023 price is multiplied by the 2023 inflation assumption of 9.3% and then multiplied by the 2024 inflation assumption. Although the overall inflation between 2021 and 2024 compared to the CID price comes out to 1.3537% , it cannot be applied to the overall allocation for this target. The inflation prediction in each year needs to be related to estimates of the number of approved projects and the average project budget, see table below. We estimate that 10% of the total allocation will be approved in projects in 2022 and 30% of the allocation each year thereafter. The new allocation required to achieve the set targets is then equal to the product of the average budget and the number of projects in each year.

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| The entire project budget is conceived as an investment, i.e. the investment represents 100% of the project costs.   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | |  | January 2021 | January 2022 | January 2023 | Accounting for inflation over the year 2023 (9,3 %) | Accounting for inflation over the year 2024 (3,5 %) | | Price for m3 | 7 510,00 | 7 945,58 | 8 986,45 | 9 822,19 | 10 165,97 | | Average project budget |  | 30 467 767,93 | 34 688 804,92 | 37 595 045,54 | 39 246 666,71 | | Number of approved projects |  | 10 % alokace, tj. 27 | 30 % alokace, tj. 73 | 30 % alokace, tj. 64 | 30 % alokace, tj. 64 | | Funds for approved projects |  | 822 629 734[[2]](#footnote-2) | 2 532 282 759,05 | 2 406 082 914,42 | 2 511 786 669,59 |   **The original allocation for this objective remains unchanged at CZK 8 328 000 000.** |

Change the name of the target and its extension

The reason for this change (correction) in the text that we have requested is that, in addition to investment in residential services, investment in outpatient and outreach services has been in the draft text of section 3.3 of the National Recovery Plan from the outset. This part of the text has never been disputed by the EC, as evidenced by the fact that the correct wording of objectives 194 and 195 is contained in the costing that was approved and is part of the CID approved by the Council. This adjustment to the originally intended state also leads to the possibility of implementing measures that allow for the extension of care for social services clients in their homes or without long-term stays in inpatient facilities in the sense of the principle of maximum support for independent living.

At the same time, the extension of the support for social services to include counselling and prevention services, together with the existing support for care services, will provide a choice for a comprehensive solution to the demand for social services in individual regions of the Czech Republic. Social prevention and counselling services allow to address in advance the situations of people who would have to seek social care services without this level of assistance. The growing importance of counselling and prevention services is also linked to the increase in risks that society is now facing, such as inflation, rising energy and housing costs, and the services are also relevant in the context of the ongoing war in Ukraine and the influx of refugees. In addition to basic and specialist counselling, the importance of prevention services such as shelters, halfway houses, contact or low-threshold day centres, but also night shelters, etc., is growing significantly.

**Change in approach to the concept of compliance with the provisions of the UN Convention**

**As has emerged from discussions with stakeholders in the Czech Republic and expert bodies, "compliance with the terms of the Convention" is a difficult fact to verify. The Convention is formulated in general terms and also addresses a number of issues that are not directly related to the projects being implemented.**

**The material and technical service standard (MTS, especially the so-called MTS 2 in the case of the services of Homes for the Elderly and Homes with Special Regime) used in the NPO represents a compromise result of discussions between professional bodies, social service providers and other stakeholders. Its aim is to support the process of modernisation of the social services in the Czech Republic in the best possible way, including towards the fulfilment of the principles of the Convention, but taking into account the real state of services and the needs associated with the growing ageing of the population and the associated demands on the capacity of services. This is a process with a certain time horizon and for NPO projects with a given focus it is therefore crucial whether they represent an improvement of the existing situation and progress in the desired direction.**

**We therefore suggest that NPO calls should be verified precisely whether they represent the required progress towards the progressive implementation of the principles of the Convention in the services provided in the country and are in line with the MTS.**

Rewording of Investment No 3

The deletion of the wording is due to an error where the original text states that the projects will be carried out by the autonomous municipalities. However, the intended scope of beneficiaries was much broader, hence the above modification.

Navýšení nákladů, posun v čase a sloučení druhů staveb

Od počátku roku 2021 dochází k významným změnám cen staveních materiálů. Ceny stavebních materiálů se často měnily i několikrát za měsíc, což mělo velký vliv na stavební zakázky i stavební společnosti. Ohledně reálného přehledu dodacích lhůt a cen stavebních materiálů a prací, byli osloveni např. Svaz podnikatelů ve stavebnictví, někteří developeři, projekční kanceláře, stavební společnosti, dodavatelé stavebnin, subdodavatelské firmy i řemeslníci, kteří potvrdili konstantní nárůst cen stavebních materiálů a prací dále i kapacitní problémy výrobců stavebních materiálů a prodlužující se dobou dodávek způsobenou absencí pracovní síly.

Důvodů nepředvídatelných výkyvů cen bylo několik. Z těch nejvýznamnějších jde o nedostatek základních surovin (z důvodu jiného využití), světová epidemie covid-19 (přerušení výroby), export vytěžených surovin do zahraničí a další. Letošní rok je zatím v tomto směru nejhorším vzhledem k probíhající válce na Ukrajině (v ČR též umocněný odchodem pracovníků z Ukrajiny, kteří tvořili velkou část stavební kapacity zejména v dělnických profesích zpět do vlasti – což například developerům např. Unistav Construction a Skanska Property a.s způsobilo několikaměsíční zdržení přípravy a realizace staveb), mezinárodním sankcím a výkyvům cen a dodávek surovin z Ruska, jež způsobila spekulaci a paniku trhu.

Dalším důvodem pro výrazný nárůst cen stavebních materiálů je především významný nárůst cen energií a výpadky v jejich dodávkách (zejména zemní plyn), které mají vliv na zpracování některých surovin i materiálů, a cenu stavebních prací. Toto se projevuje v celkové inflaci a nárůstu cen stavebních prací, který je pro rok 2022 predikován na 16,5 % (za měsíc říjen dle ČSÚ vzrostly ceny materiálů a výrobků spotřebovávaných ve stavebnictví meziročně o 17,6 %).

Všechny tyto důvody způsobují, že při aktuálním nastavení nemůže být dosaženo splnění cílů ve dvou obdobích, a to v posledním kvartálu roku 2024 a v posledním kvartálu roku 2025. K navržené změně dochází z výše uvedených důvodů, především k prodlužování výroby některých stavebních materiálů, resp. k jejich nedostupnosti, a tím i k prodlužování vlastní výstavby. Stavební kapacity stavebních firem jsou v současné době přetížené a obtížně dostupné. V souvislosti s probíhající praxí bychom pak rádi navrhli ještě tuto praktickou úpravu cíle, a to jeho detailního dělení na jednotlivé typy staveb a stavebních úprav. Domníváme se, že z pohledu cíle podpory, kterým je navyšování kapacity pobytových zařízení v ČR, není rozhodující, zda místa vzniknou novou výstavbou nebo rekonstrukcí dříve existujícího objektu. Z hlediska dopadů na životní prostředí se naopak jeví efektivnějším investovat spíše do úprav energetické náročnosti již existujících budov. Proto bychom rádi zrušili sledování počtu novostaveb jako samostatný ukazatel a sloučili ho do jedné kategorie s ukazatelem energeticky efektivních rekonstrukcí**. Cílem je, aby přesné dodržení počtu novostaveb 116 nebylo součástí cíle a nemuselo být tudíž přesně dosaženo.** **Na druhou stranu předpokládáme, že počet novostaveb financovaných v rámci této investice se bude rámcově pohybovat kolem počtu 116.**  Z dotazů, které konzultujeme, se ukazuje, že zcela nová výstavba může být příliš složitá a časový harmonogram realizace NPO může být pro tento typ projektů příliš rizikový, navíc s dalšími koly výzev a posuny v čase bude rizikovost nedostatečného času pro příjemce jen narůstat. Současně rekonstrukce stávajících budov je časově o něco méně náročná než výstavba nových budov.

Zároveň u vybudovaných novostaveb bude dodrženo pravidlo, že nebude překročen původní poměr novostaveb na celkovém počtu zařízení, a tudíž nedojde ke změně poměru investic se 40% klimatickým koeficientem a investic se 100% klimatickým koeficientem.

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| **Component 3.3 MODERNISATION OF EMPLOYMENT SERVICES AND LABOUR MARKET DEVELOPMENT** | |
| **Investment/ reform CID reference** | **Investment 3** |
| **Investment/ reform name** | **Development and modernisation of social care infrastructure** |
| **Type of change compared to CID** | [modified] |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 3: Development and modernisation of social care infrastructure – Target 196** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** |  |  |
| ***Milestones and targets*** | *Number of low- emission vehicles purchased for social prevention, counselling and home-care services*  *At least 120 low-emission vehicles shall be purchased, of which:*   * *40 electric cars* * *80 plug-in hybrid cars*   *By Q4/2023* | *Number of low- emission vehicles purchased for social prevention, counselling and home-care services*  *At least 120 low-emission vehicles shall be purchased, of which:*   * *40 electric cars* * *80 plug-in hybrid cars*   ***By Q4/2024*** |
| ***Estimated cost*** | *228 mil CZK* | *253,6 mil CZK* |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

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| **Component 3.3 MODERNISATION OF EMPLOYMENT SERVICES AND LABOUR MARKET DEVELOPMENT** | |
| **Investment/ reform CID reference** | **Investment 3** |
| **Investment/ reform name** | **Development and modernisation of social care infrastructure** |
| **Type of change compared to CID** | modified |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 3: Development and modernisation of social care infrastructure – Target 197** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** |  |  |
| ***Milestones and targets*** | *Number of low- emission vehicles purchased for social prevention, counselling and home-care services*  *At least 251 low-emission vehicles shall be purchased, of which:*   * *100 electric cars* * *151 plug-in hybrid cars*   *By Q4/2024* | *Number of low- emission vehicles purchased for social prevention, counselling and home-care services*  *At least 251 low-emission vehicles shall be purchased, of which:*   * *100 electric cars* * *151 plug-in hybrid cars*   ***By Q2/2025*** |
| ***Estimated cost*** | *228 mil CZK* | ***253,6 mil CZK*** |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

The original costing did not take into account future inflation, i.e. the price of the vehicle was calculated for the entire implementation period at the same level and was determined in June 2021. Therefore, we are only now taking inflation into account in our calculations and are basing our calculations on publicly available data.

Below is a way to determine the evolution of the price of a car over time to take into account the reasons for the increase in the allocation described earlier.

The first is to increase the original price by the monthly inflation from June 2021 to December 2021 of 5.21% based on Eurostat data.

The second calculation is based on the European comission's forecast of the expected inflation rate for 2022-2024, where the January 2022 price is multiplied by the expected inflation for 2022 of 15.8%, then multiplied by the expected inflation for 2023 and 2024. Although the overall inflation between 2021 and 2024 compared to the CID price comes out to 36.66% , it cannot be applied to the total allocation for this target. The inflation forecast in each year needs to be related to the estimates of the number of vehicles purchased in the approved projects and their cost, see table below. We estimate that 30% of the total allocation will be approved in projects in 2022 and 30% and 40% in subsequent years.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Price according to CID as of 6/2021 in CZK | Recalculated price as of 12/2021 | Accounting for inflation over the year 2022 | Accounting for inflation over the year 2023 | Accounting for inflation over the year 2024 |
| Electric car | 910 000 | 957 411 | 1 099 107,83 | 1 201 324,86 | 1 243 371,23 |
| Number of vehicles acquired |  |  | 30 % alokace, tj. 30 | 40 % alokace, tj. 40 | 30 % alokace, tj. 30 |
| Funds for purchased vehicles |  |  | 32 973 234,84 | 48 052 994,24 | 37 301 136,78 |

The original allocation for electric vehicles for this objective was equal to CZK 91,000,000 and the newly calculated allocation is CZK 118,327,365.86, the difference is equal to CZK 27,327,365.86. Podkladové tabulky se liší od nově navrhovaného finančního požadavku z důvodu nutnosti ponížit celkovou grantovou alokaci plánu,aby nedošlo k jejímu překročení.

The reduction in the production of vehicles results in longer delivery times. The postponement of the deadline for meeting the target makes it more likely that these vehicles will be delivered to the beneficiaries on time.

**Legislative regulation of the inspection activities of the Social Services Inspectorate**

Legislative anchoring of a mechanism for identifying violations of obligations under the UN Convention on the Rights of Persons with Disabilities in the provision of social services, including their correction through methodological guidance and inspection activities by the state. Criteria for achievement: amendment of the Social Services Act - legal norm, development of a methodology and 10 pilot verifications for residential social services.

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| --- | --- |
| Call | At present, the inspection of the quality of care provided and its own purpose is set up mostly through the inspection of the existence of internal management acts, at the same time the content of the inspections is not the fulfilment of the obligations arising from the Convention, in particular from Article 19. Currently, complaint handling is set up by each social service provider without the possibility of appeal by the complainant. The quality system is divided and the input, process and output checks are done separately and in an unconnected way, therefore their effectiveness in the context of monitoring the obligations under the UN Convention on the Rights of Persons with Disabilities is minimal. |
| Target | To anchor the obligation to respect the dignity and integrity of the personality of clients in legislation, to anchor this obligation in quality standards and to follow up on this with inspection and registration. Furthermore, to to anchor in the legislation the provider's obligation to ensure, in cooperation with other partners, that the client is kept in his/her natural environment as much as possible, i.e. to enshrine the principle of subsidiarity, i.e. that all the provider's activities lead to the use of non-community residential services as the most extreme option, and to set criteria for this in the quality standards and control mechanisms by the inspection and registration. Furthermore, the aim is to set a clear financial advantage for social service providers who provide community-based care.  To improve social service inspections, the Social Services Act shall be amended and a binding methodology for social services inspection shall be adopted, ensuring that inspections inspect the fulfilment of obligations under the UN Convention on the Rights of Persons with Disabilities in the provision of social services. The Social Services Act and the methodology shall be discussed and agreed upon by relevant stakeholders. As pilot inspections under the new set-up, social services provided in any facility with a capacity of more than 25 persons funded from the Recovery and Resilience Plan shall be inspected. Social services where inspections found any shortcomings shall commit to a plan correcting these shortcomings within one year. In addition, all facilities should establish complaint mechanisms that are accessible, confidential and available to persons with disabilities living in the facilities even under guardianship schemes.    Furthermore, the amended Social Services Act shall also establish a social service complaint mechanism ensuring at least that:  Clients, client’s legal guardians and family members can submit complaints concerning social services to their provider.  Complainants have a right to know how it was resolved.  Complainants have a right to appeal to a body independent of the service provider; and the body considers the appeals on both merit and process.  Service providers as well as the relevant appeal body or bodies are obliged to keep a record of the complaints received.    It is expected that the complaint mechanism will broadly correspond to the health service complaint mechanism. The complaint mechanism shall be discussed and agreed upon by relevant stakeholders. |
| Implementation | Legislative anchoring will optimally take place during 2023 with effect in 2024 (at the latest from 1/1/25). Performance application and system setup will be implemented in 2024-2025 and evaluation will take place in 2026. |
| Cooperation and involvement of stakeholders | - central state administration bodies pursuant to Act No. 2/1969 Coll. (the Competence Act),  - Regions according to Act No 129/2000 Coll., on Regions  - the Capital City of Prague pursuant to Act No. 131/2000 Coll., the Act on the Capital City of Prague  - municipalities according to Act No. 128/2000 Coll., on Municipalities  - client organisations  - providers of social services  - non-governmental non-profit organisations (public benefit societies, registered churches, associations, institutes, foundations). |
| Obstacles and risks | Timely preparation of legislative changes, legislative process, insufficient conditions for implementation of legislative changes |
| Target population and economic actors | Persons with disabilities  Other target groups of social services  Persons dependent on care |
| The aggregate implementation costs financed by the RRF over the whole period | N/A |
| Compliance with State aid rules | N/A |
| State the implementation period | 3Q/2023 – 2Q/2025 |

1. The amount is determined as the sum of investment and non-investment costs, taking into account the different inflation rates (see the CID Change Calculations table for details).

   . [↑](#footnote-ref-1)
2. Výsledná částka je přibližně rovna násobku průměrného rozpočtu projektu a počtu projektů (30 467 767,93 x 27 = 822 629 734). [↑](#footnote-ref-2)