Foreword

The imperative to swiftly embrace a low-carbon, climate-resilient economy while harnessing the opportunities of digitalisation underscores the urgent need for action. Prioritising quality infrastructure investments is a critical pillar to delivering on these goals and mitigating potential negative impacts, including the risks of increased territorial disparities. Regional and local governments, as major public investors in infrastructure development, alongside central government, are pivotal actors.

However, quality infrastructure investment demands comprehensive, long-term planning and coordination across various sectors and levels of government. This also necessitates robust project selection processes and the implementation of efficient infrastructure financing and delivery methods. Such investment is often sizeable[1], and as government budgets at all levels face increasing pressures, it is important to ensure that limited resources are used effectively to advance economic, social, and environmental goals.

With significant investment expected from the European Recovery and Resilience Facility, Czechia has an opportunity to address its infrastructure gaps, in particular in areas such as transport, digital infrastructure, green and climate-resilient infrastructure and affordable housing. But ensuring effective use of those funds will also require effective decision making and implementation across levels of government, in particular in relation to coherent planning and co-ordination of infrastructure projects, as well stronger institutional national and subnational capabilities on appraisal, and delivery of infrastructure. This report seeks to deliver on those goals. It is structured in three parts. The first provides an overview of the Czech public investment system across levels of government. The second provides analysis and recommendations for the national level, and the third provides analysis and recommendations for the subnational level.

The report is part of the project "Improvements in Governance of Strategic Planning of Public Infrastructure Investments" conducted in Czechia. The project outputs include (i) a benchmarking note that includes good practices from OECD countries, (ii) this assessment and recommendations report; and (iii) guidelines and self-assessment tools to improve governance practices across levels of government. The action was funded by the European Union via the Technical Support Instrument, and implemented by the OECD, in co-operation with the Directorate-General for Structural Reform Support of the European Commission.

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[1] Globally, infrastructure investment needs between 2016 and 2040 are forecasted at USD 94 trillion (Global Infrastructure Hub, 2019[2]) For example, according to the International Energy Agency, in order to meet Net Zero targets, countries will need a more than 4-fold increase in clean energy financing over the period 2026-2030 (for a total of 3.9 TR USD), as compared to investments made over the period 2016-2020. Of this, an estimated 30% will need to come from the public sector (IEA, 2021[1])

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