



European Construction Sector Observatory

Policy measure fact sheet

Czech Republic

2nd Operational Programme for Transport
2015-2023 (Operační Program Doprava)

Thematic Objective 3

January 2018



In a nutshell

Implementing body:	Ministry of Transport of the Czech Republic (Ministerstvo Dopravy, MDCR)
Key features & objectives:	Upgrading of the existing road and railway infrastructure and developing adequate and sustainable transport networks in the country.
Implementation date:	2015-2023
Targeted beneficiaries:	Infrastructure and transport owners and administrators; general public.
Targeted sub-sectors:	Transport infrastructure
Budget (EUR):	5.4 billion (CZK 143 billion)

Transport is one of the key sectors of the national economy of the Czech Republic. It affects virtually all areas of public and private life and business. Providing a high-quality transport infrastructure is a prerequisite for improving the competitiveness of the entire country and its individual regions. However, in the years since the 1989 Velvet Revolution, the quality of the national transport infrastructure in the Czech Republic is still lower than the levels of quality that have been achieved by the less developed Member States of the former EU-15¹.

To address the need for infrastructure improvement, the Ministry of Transport of the Czech Republic (Ministerstvo Dopravy, MDCR) launched the second Operational Programme for Transport (OPT2), with the support of EU financial contributions.

The programme was adopted by the European Commission in May 2015 with a total budget of EUR 5.4 billion, which includes EUR 4.6 billion from the Cohesion Fund (CF)² and the European Regional Development Fund (ERDF)^{3,4}.

OPT2 is part of the government's effort to fulfil the terms of the 'Partnership Agreement' that was established with the European Commission on 26th August 2014⁵. The agreement sets out the strategy to maximise the use of European Structural and Investment Funds in the Czech Republic for 2014-2020⁶.

The programme is an important part of the government's work to achieve strategy's smart, sustainable and inclusive growth targets. OPT2 focuses in particular on the main strategic objective which targets investment in sustainable infrastructure to make the business economy more competitive and to deliver adequate public transport services⁷.

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OPT2 builds on the Operational Programme for Transport 2007-2013 (OPT1)⁸. Compared to the former programme, OPT2 places greater emphasis on the development of green forms of transport, with the railways sector playing a key role in ensuring a real shift towards sustainable mobility. OPT2 is also a key instrument in the implementation of national transport strategies, which include the Transport Policy of the Czech Republic for 2014-2020 with the prospect to 2050⁹ and the Transport Sector Strategies 2nd Phase¹⁰.

The programme has been operational for less than 3 years due to administrative delays which meant that implementation did not begin until 2015 (instead of 2014). The programme is expected to come to an end by 2023. The extended deadline (it was originally planned to end in 2020) is due to the lengthy administration processes that preceded the programme's official approval. Currently, there are a number of projects ongoing or that are in the launch phase related to either development or modernisation of the key road and railway transport networks.

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General description

OPT2 aims to develop a high-quality transport infrastructure throughout the country, to align it with the quality of the national transport systems in the former EU-15 Member States. It also aims to promote sustainable forms of transport and to remove the bottlenecks in key network infrastructures in order to provide efficient transport services and make the economy more competitive.

The objectives of the programme are to:

1. Complete the development of current transport networks;
2. Properly maintain current transport networks; and
3. Develop new transport networks, where relevant.

The targeted beneficiaries of the OPT2 include business communities, companies involved in the development work and the owners and administrators of the concerned infrastructure and means of transport and of course the general public.

In contrast to OPT1, which was structured around seven priority areas, OPT2 focuses on just four priority areas. The change in focus is intended to make better use of the financial resources available to the programme in order to provide greater flexibility and improve uptake of the programme. In addition, OPT2 places greater emphasis on developing sustainable forms of transport and reducing adverse impacts of transport on the environment.

In terms of the volume of funds, OPT2 is one of the largest programmes for the 2014-2020 programming period, currently under implementation in the Czech Republic. The funding model of the programme is based on a combination of national and EU funding schemes. On the one hand, the funding of the programme is secured by the MT CR's state budget resources. On the other hand, the CF and the ERDF allocated around EUR 4.6 billion to the programme.

Table 1: OPT2 – Four priority areas and specific goals

<p>Priority 1: Infrastructure for railway and other modes of sustainable transport</p> <p>Specific goals:</p> <ol style="list-style-type: none"> 1. Improve infrastructure to increase competitiveness and a greater use of railway transport; 2. Improve infrastructure to increase competitiveness and a greater use of inland waterway transport; 3. Create the conditions for greater use of multimodal transport; 4. Create the conditions for increased use of electric traction forms of public transport in cities (e.g. metro, trams, tram-train systems, trolley buses); 5. Create the conditions for the wider use of railways and waterways transport by modernising the transport fleet.
<p>Priority 2: Road infrastructure on the Trans-European Transport (TEN-T) networks and public infrastructure for clean mobility</p> <p>Specific goals:</p> <ol style="list-style-type: none"> 2.1 Improve the interconnectivity between cities and regions and increase the safety and efficiency of road transport by constructing, renewing and upgrading the TEN-T motorways and roads, including the developments of the Intelligent transportation system (ITS); 2.2 Create the conditions for the wider use of alternative road vehicles; 2.3 Improve the traffic management and safety.
<p>Priority 3: Road infrastructure outside the TEN-T</p> <p>Specific goals:</p> <ol style="list-style-type: none"> 3.1 Improve access to the regions, enhance safety and flu-idity and reduce the impact of transport on public health by constructing, renewing and improving motorways, highways and 1st class roads outside of the TEN-T network.
<p>Priority 4: Technical Assistance</p> <p>Specific goals:</p> <ol style="list-style-type: none"> 4.1 Provide support and ensure the implementation of the programme.

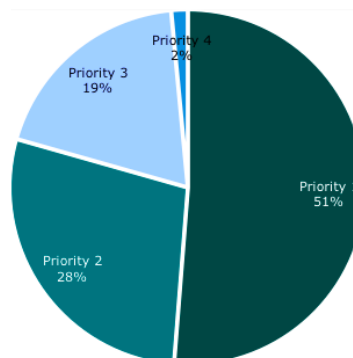
Source: Operational Programme Transport 2014-2020¹¹

Table 2: OPT2 budget allocation (EUR)

Total budget	5,437,655,064
Total EU contributions	4,622,006,803
• Cohesion Fund (CF)	3,719,689,664
• European Regional Development Fund (ERDF)	902,317,139
Other contributions	815,648,261

Source: Operational Programme Transport 2014-2020¹²

Figure 1: Budget allocation expressed in % per priority



Source: Operational Programme for Transport 2014-2020¹³

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Achieved or expected results

Preparations for the programme began in 2012 with the aim of launching the OPT2 in 2014. However, due to lengthy delays in the administration process, the programme was only approved by the European Commission on 11th May 2015, after a successful execution of the following **six phases**:

Phase 1: Assessment of the status quo of the Czech construction sector and identification of core priorities and goals to be achieved by 2020;

Phase 2: Development of Programme documentation;

Phase 3: Informal discussions between the MT CR and the EC;

Phase 4: Submission of the Programme proposal to the EC through the System for Fund Management (SFC) support portal;

Phase 5: Formal discussions between the MT CR and the EC;

Phase 6: Final approval of the Programme by the EC.

The programme has been operational for less than 3 years. Table 3 identifies the programme's expected objectives.

Table 3: Expected objectives of the OPT2

- 140km of reconstructed or upgraded railway lines;
- 8km of new or upgraded metro or tram lines;
- 140 new or upgraded mobile rail assets;
- 95km of new motorways and expressways on the TEN-T network;
- 15,000 kW additional capacity for recharging of e-vehicles;
- 40km new or upgraded major roads in the regions;
- fewer accidents in urban areas due to the deployment of intelligent transport systems (ITS).

The following is a summary of the key road and railway transport projects that are either in an ongoing or to be launched phase:

Road transport:

- Modernisation of the D1 highway (i.e. stretches: Mirosovice - Hvezdonice, Humpolec - Vetrny Jenikov);
- Construction of the D1 highway (e.g. Rikovice - Prerov - Lipnik);
- Construction of the D3 highway (e.g. Bosilec - Sevetin - Borek);
- Construction of the D11 highway (e.g. Hradec Kralove - Jaromer);
- Construction of the R11 road (e.g. Trutnov - state border);
- Construction of the R6 road (e.g. Lubenec, bypass, I. stage);
- Construction of the R35 road (Opatovice - Casy - Ostrov - Vysoke Myto - Litomysl);
- Construction of the R48 road (e.g. Rybi - Rychaltice).

Rail transport:

- Completion of the modernisation of 4th corridor to Ceske Budejovice (e.g. section Sudomerice - Votice);

- Modernisation of the line Prague - Kladno with connection to Ruzyne Airport;
- Modernisation of the line Brno - Prerov, II. stage Nezamyslice - Prerov;
- Modernisation of the Pilsen - Domazlice - state border (expected to speed up a connection to Munich or the runway at the Prague airport);
- Modernisation and electrification of the line Otrokovice - Vizovice;
- Optimising the route Cologne - Vsetaty - Decin.

Source: The Ministry of Transport of the Czech Republic (2015)

Figure 2: Geographical reach of planned interventions



Source: Planned Czech Republic Railway Infrastructure Projects Financed by the European Union between 2014 and 2020¹⁴

Besides that, in order to significantly contribute to a greater passenger comfort, the programme has worked towards fleet renewal for both rail and urban transport. This includes the infrastructure for trams, subways and trolley buses.

Moreover, OPT2 has been contributing to the development of transport telematics and intelligent transport systems (ITS) and providing support for a multimodal freight transport, especially the development of a combined transport.

Lastly, the public transport in electric traction (underground, tram systems, trolleybus systems) has been improved. This includes the construction of Line D of Prague underground and a tram connecting the university campus in Brno.

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Perspectives and lessons learned

From a **European Commission perspective**, the Commissioner for Regional Policy says that the “key strategic transport links that will be developed thanks to European funding will link the regions in the Czech Republic with each other but also with the Trans-European Network that crosses the European continent. This will make them more accessible and attractive for business and investment. The Czech citizens will also benefit from safer, greener and more sustainable transport.”¹⁵

From a **Czech government perspective**, the main goal of the OPT2 is to improve the country’s transport infrastructure in line with the key national policies and strategies, including the Transport Policy of the Czech Republic 2014-2020 and the Transport Sector Strategies 2nd Phase.

The Director of the Department of the EU Funds of the **Ministry of Transport of the Czech Republic**¹⁶, notes that in comparison to the previous policy measure (OPT1), OPT2 covers more activities within less priority areas. The breakdown of the programme into a substantially lower number of priority axes allows for more flexible use of resources and the better uptake of the programme.

In addition, the programme has a much narrower focus than its precursor. In fact, OPT2 focuses solely on large road and rail transport infrastructure projects. The Railway Infrastructure Administration (Ředitelství silnic a dálnic)¹⁷ and the Road and Motorway Directorate (Správa železniční dopravní cesty)¹⁸ are the key beneficiaries of the programme. As a result, the Ministry of Transport does not have to invest additional resources on the development of extensive communication channels. All relevant beneficiaries are easily reachable within the existent networks.

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Despite being advantageous, relying on two major beneficiaries is also the weakest point of the programme. Should one prove to be a failure, the Ministry faces the potential risk of losing a substantial part of the allocated funds.

Another problem is that the most economically viable projects are often not considered or selected. Some of the proposed projects are not realised due to the lack of approval by the Ministry for Environment of the Czech Republic. This includes, for example, the road and rail transport fleet renewal, a major modernisation project. The **Association of Road Transport Operators, ČESMAD BOHEMIA**¹⁹, expresses a concern that if similar obstacles continue to emerge, the overall success of the OPT2 could be negatively impacted.

In December 2012, prior to the launch of the programme, the MT CR established a platform for its implementation. The platform brought together **public and industry stakeholders** to collect their feedback on the gaps and needs of the transport sector in the Czech Republic. The stakeholders met on seven occasions and discussed the priorities, specific goals, planning as well as the execution of the programme. Following their feedback, some changes were introduced to simplify the project application, audit and control procedures. More specifically, the members of the platform agreed that there is a need to reduce the administration burden faced by applicants and evaluators by introducing:

- Uniform terminology in line with EU and Czech legislation;
- Clearly defined procedural steps from the submission of a project application to its final approval;
- An expert evaluation committee replacing the former institute of external evaluator (one natural person);
- A two-stage evaluation system (proposal and full application);
- A database of evaluators (members of the expert evaluation committee);
- A review committee;
- A 7-month project approval deadline, with an exception for large projects;
- The possibility to engage with other applicants and beneficiaries to exchange experiences in project preparation and implementation;
- An optimal degree of digitalisation of the entire project cycle covering application preparation, evaluation, selection and monitoring, through to the transfer of allocated funds.²⁰

Endnotes

- 1 Greece, Portugal and Spain.
- 2 The Cohesion Fund was set up to provide a financial contribution to projects in the fields of environment and trans-European networks in the area of transport infrastructure. It is intended for countries whose per capita Gross National Income (GNI) is below 90% of the Community average.
- 3 The European Regional Development Fund (ERDF) aims to strengthen economic and social cohesion in the European Union by reducing imbalances between its regions. The ERDF will invest more than €197 billion in the regions of Europe throughout 2014-2020.
- 4 European Commission, Announcements, 11 May 2015:
https://ec.europa.eu/commission/commissioners/2014-2019/cretu/announcements/commission-invests-eu47-billion-improve-transport-in-frastructure-czech-republic_en
- 5 European Commission, Press Release, 26 August 2014:
http://europa.eu/rapid/press-release_IP-14-947_en.htm
- 6 Ibid
- 7 European Commission, Summary of Partnership Agreement for the Czech Republic 2014-2020, 26 August 2014:
https://ec.europa.eu/info/sites/info/files/partnership-agreement-czech_republic-summary-aug2014_en.pdf
- 8 Operational Programme Transport 2007-2013, October 2007:
<http://www.opd.cz/Providers/Document.ashx?id=48>
- 9 Ministry of Transport of the Czech Republic, Transport Policy of the Czech Republic for 2014-2020 with the prospect to 2050, June 2013:
https://www.dataplan.info/img_upload/7bdb1584e3b8a53d337518d988763f8d/b13-00298_ministerstvo_dopravy_2014_2020_eng-05_1.pdf
- 10 Ministry of Transport of the Czech Republic, Transport Sector Strategies 2nd Phase:
<https://www.dopravnistrategie.cz/en/menu-basic-information>
- 11 2nd Operational Programme for Transport:
http://www.opd.cz/cz/OP_doprava_2014-2020
- 12 The Ministry of Transport of the Czech Republic, Documents, Strategies, Presentation on Trans-European Transport Networks (TEN-T), October 2013: [https://www.mdcz.cz/getattachment/Dokumenty/Strategie/TEN-T-a-dalsi-doprava/Transevropske-dopravni-site-\(TEN-T\)/Prezentace-o-TEN-T.doc.aspx](https://www.mdcz.cz/getattachment/Dokumenty/Strategie/TEN-T-a-dalsi-doprava/Transevropske-dopravni-site-(TEN-T)/Prezentace-o-TEN-T.doc.aspx)
- 13 Operational Programme for Transport: <http://web.opd.cz/>
- 14 Railway Infrastructure Administration, Planned Czech Republic Railway Infrastructure Projects Financed by the European Union between 2014 and 2020, December 2016: http://www.sfdi.cz/soubory/obrazky-clanky/fondy-eu/2016_szdc_brozura_opd2-2015_a5_eng.pdf
- 15 European Commission, Announcements, 11 May 2015:
https://ec.europa.eu/commission/commissioners/2014-2019/cretu/announcements/commission-invests-eu47-billion-improve-transport-in-frastructure-czech-republic_en
- 16 Ministry of Transport of the Czech Republic, Director of the Department of the EU Funds, Mr Marek Pastucha.
- 17 The Road and Motorway Directorate of the Czech Republic: <https://www.rsd.cz/wps/portal/>
- 18 The Railway Infrastructure Administration: <http://www.szdc.cz/index.html>
- 19 ČESMAD BOHEMIA: <http://www.prodopravce.cz/en>
- 20 Operational Programme Transport 2014-2020: <http://web.opd.cz/>