



## THE SENATE OF THE PARLIAMENT OF THE CZECH REPUBLIC

**Jan Horník**

Vice President of the Senate

**Zbyněk Linhart**Chairperson of the Committee on Public Administration, Regional Development  
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Prague, 5 November 2021

Madam President,

Thank you for your reply dated 24. 8. 2021. We are pleased that you are aware of the fact that the convergence of the Northwest region is significantly lower than that of other Czech regions, and that its growing lag, which has lasted for over 20 years, is finally something that needs to be addressed.

The Northwest is moving away from other regions not only within the Czech Republic, but also from other regions throughout the European Union, even those that are less developed.

In your letter you point out that the majority of resources go to the less developed regions, that the amount allocated under cohesion policy favours regions with GDP per capita less than 75 % of the average GDP per capita of the EU-27, and that a **total of 73 % of the total resources from the ERDF and ESF+ are allocated to such regions**. Unfortunately, this claim is again a very theoretical one and certainly does not apply to the Czech Republic. Under the Czech government-approved Partnership Agreement for the 2021-2027 programming period ([https://dotaceeu.cz/getmedia/86c91733-47df-43fa-9101-bfc0f7532fdc/Dohoda-o-partnerstvi-2021-2027 WEB schvalena vladou zari-2021.pdf.aspx?ext=.pdf](https://dotaceeu.cz/getmedia/86c91733-47df-43fa-9101-bfc0f7532fdc/Dohoda-o-partnerstvi-2021-2027_WEB_schvalena_vladou_zari-2021.pdf.aspx?ext=.pdf)), less developed regions such as the Northwest are to receive only around 45% of the total ERDF and ESF+ resources. Even if we only assume a contribution from the European Union, without a national contribution, that alone is **something like 51 %** in favour of the less developed. **The difference between what you are declaring and reality amounts to €2.8 billion from the ERDF and ESF+**, which, instead of less developed regions, will again be invested in regions with average GDP per capita above 75%. This is what cohesion policy really looks like in the Czech Republic. **We give more to the rich, we take away from the poor. This approach will turn the periphery of cities and towns into large social ghettos, with all the resulting consequences.**

**Therefore, the very basic condition that would allow us to begin to solve the problems of a region like the Northwest is not met.** Cohesion funds, originally intended for regions with GDP less than 75% of the EU average, are already being directed away from where they belong! If we can't even channel and invest cohesion funds into the regions for which it is intended, and if this policy has no results after 20 years, we can't do **new policies such as digital and green transition policies** in the same way and expect it to work this time. It won't and it can't work! It will just go the same way as before - the funds will end up elsewhere than they should, we won't get anywhere close to the target again, and we'll only be left with pretending the desired outcome - the success of digitisation will be evidenced by the purchase of copiers and printers, the success of the green transition by the purchase of steam engines burning charcoal.

If the Commission leaves the decision on sources and methods of funding to the Member States unchallenged, and they can decide **against the meaning of the rules laid down, that is to say, funding the required proportion of projects from the state budget to more developed regions so that they end up with exactly the same conditions as less developed regions, we shall never fulfil the objectives of European policies and the elimination of inequalities** and convergence of regions, as we have seen for years in the Northwest region.

Specifically, in the 2021-2027 programming period, the Czech Republic intends to co-finance less developed regions with the smallest share, ironically, at only 15 %. Transition regions at 30 % (2x more). And developed (Prague) even at 60 % (4 times more than the poorest regions). In absolute terms, the planned national contribution to transition and more developed regions is over €3 billion, while to less developed regions it is only around €1.1 billion. Three times less. That should be exactly the opposite. Once again, we are witnessing a **radical anti-cohesion approach**, totally against the meaning of EU funding.

We can even say that the **Czech government, with the agreement of the European Commission, is once again making a concerted effort to ensure that, even after the end of this period, the least developed Czech northern regions, headed by the poorest Northwest, show even worse social-economic indicators** than those reported against Prague and the southern regions now at the beginning of the period, and thus allowing for development of even more socio-pathological issues.

In such case the rules of the European Commission for drawing funds, determination of allocations, and for the level of national co-financing based on the development of a region are similarly useless, as when the Commission sets constraints on conflicts of interest but leaves them to be breached by Member States without any consequences for many years. If the **Commission is allowing itself to be circumvented in this way, then why is it setting the rules for the handling of European taxpayers' funds in the first place?** And why does it set common goals for these policies when they can never be met, for states can arbitrarily circumvent the rules as they please?

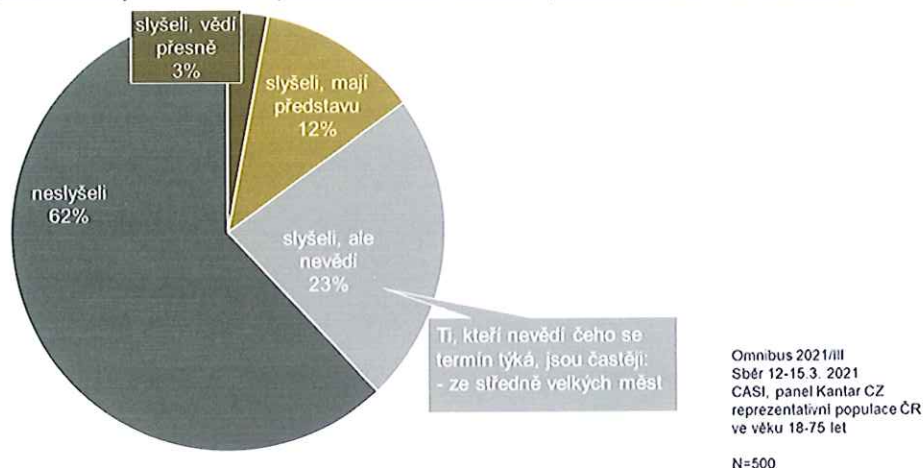
As for the **Just Transformation Fund (JST)**, a fund with such a symbolic contribution cannot solve anything fundamental in the Northwest region. Least of all the transition from coal to a green economy. If the Czech Republic, like Germany, does not complement every Euro with many more from its own resources, the Northwest region will become one super giant ghetto more than anything else once coal is abandoned.

I don't know who gives you the wrong information about how the Czech public and interest groups are intensively involved in the preparation for the JST, and how the topic is communicated. It's quite the opposite. Even us, the senior politicians (Senators and regional representatives) we have had to actively request the provision of basic information on the JST and the Plan for Just Territorial Transformation several times from responsible

departments. They claim that everything is done in a hurry because of the European Commission. According to a survey commissioned by Greenpeace and conducted by Kantar, **only 3 % of the Czech population** is aware of just transformation. Moreover, a staggering **62 % of the Czech population has no idea** about just transformation at all:

## Spravedlivá transformace – povědomí

Z Evropské unie mají do ČR zamířit desítky miliard korun na tzv. spravedlivou transformaci. Znáte termín "spravedlivá transformace" a víte, čeho se týká?



KANTAR

GREENPEACE

This is an exact representation of what is being claimed and what the reality is!

**As for the RRF (National Recovery Plan)**, unfortunately, it is not true what you say. Perhaps you did not read the resolution of the Czech Senate on NRP. The NRP does not address social and regional needs (cohesion), the NRP does not address the most urgent regional needs. On the contrary – and government officials make no secret of it – the NRP was primarily used to channel as much of the funds as possible, paradoxically, to Prague, which, as the third richest region in the entire EU (Prague's per capita GDP is 205 % of the EU average), is not eligible for the massive influx of cohesion funds. Again, according to the unwritten rule for European subsidies – make the rich even richer and the poor even poorer.

Madam President, it is no wonder **there are more people unhappy with the functioning of the European Union**. Having read your letter, it's difficult for us to accept that you really believe everything you wrote.

**Allow us to raise further clarification questions in order to be clearer with each other:**

- A) Do you really think that the JST will provide a fair exit from coal for the Northwest, and that it can even substitute anti-cohesion policy and current approaches?
- B) Do you really consider the handling of ERDF and ESF+ resources in (non)favour of the less developed, and the poorest Northwest of the Czech Republic, to be fair and in line with the rules and needs of these regions, in line with the interests of the EU as an integrating element, and in line with the interests of European taxpayers?

- C) Can a green and digital policy be at least partially successful if, in the long term, we do not even manage such a simple task to put the ESIF fundamentally where it belongs?

**In essence, we are mixed with despair and cluelessness as to where the European Union is headed, and where the Commission is mindlessly accompanying it in this. Trust us, we are not Eurosceptics or opponents of our common European project, but rather politicians who have had to prove themselves from managing the smallest of municipalities to working at the highest levels of politics, and thus drawing lessons from everyday practice, rather than from some political, often incomprehensible, and ineffective proclamations of theoreticians.**

Your last visit to our country was promising for us. We hoped you would assess the just cohesion situation in the Czech Republic not through rose-tinted glasses. We believed that you would find the courage and face the naked truth. Unfortunately, this did not happen. Hence everything runs the old-fashioned way.

Madam President, the fate of a large number of people of the Northwest region is in your hands. Please show them that you are serious about them, and that just cohesion will help them live in a better future.

We will assist you in this, but you need to listen to us at least a little. Otherwise, our common European house we built together will fall apart as if it were built from a deck of cards.

Sincerely yours,



**Jan Horník**

Vice President of the Senate of the Parliament of the Czech Republic



**Zbyněk Linhart**

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