



**Addendum  
to the National Reform Programme  
of the Slovak Republic  
for 2006 – 2008**

December 2006

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# 1 Introduction

Goals and objectives of the national Lisbon strategy of Slovakia set out in the National Reform Programme of the Slovak Republic for 2006 – 2008 (the NRP), which was presented to the Commission in October 2005, have not been developed into concrete measures for the entire programming period of 2006 – 2008. The new government of Slovakia has assumed the task of completing the work on this strategic document and the government's Manifesto declares its political will to pursue those goals and objectives set out by the previous government which it considers appropriate.

*The Addendum to the National Reform Programme of the Slovak Republic for 2006 – 2008* thus further develops the tasks that are in line with the goals of the new Slovak government in the priority areas of the national Lisbon strategy.

The document outlines specific tasks in the area of microeconomic policy for the entire NRP programming period, and is aimed at three priority areas – *the business environment; science, research and innovation; and the information society*. The measures envisaged in the field of employment policy for 2007 – 2008 had been specified already in the *National Reform Programme of the Slovak Republic* presented in 2005, and in the *Progress Report on the Implementation of the National Reform Programme of the Slovak Republic for 2006 – 2008* submitted to the European Commission on 15 October 2006.

Measures in the area of *microeconomic policy* express the intention of the government to pursue the European mixed economy model, based on the interplay of the market and the state. The emphasis is therefore laid on those measures that lead to a more effective implementation of competition policy through the regulation of network industries, and on economic aspects of energy policy. The government's Manifesto defines also another priority, i. e. the strengthening of competitive advantages of the industrial base of Slovakia.

New measures taken in connection with the priority of *science, research and innovations* are aimed mainly at providing effective support to business activities linked to research, development and innovations, in particular in the field of small and medium-sized businesses. The key priority in the field of science and research will be to increase the emphasis of the science and technology policy on applied research and development in order to increase the social and economic impact of publicly funded projects and to strengthen their direct links with innovation and development efforts of the business environment with a view to significantly increasing the involvement in R&D activities of small and medium-sized undertakings – a core contributor to the gross domestic product.

Priority topics in the process of *informatisation of the society* are e-Government and the development of electronic services, computer literacy and informatisation of the health system – eHealth. The government is aware of the irreplaceable role of the state in the introduction of modern public services, in the generation of and access to useful digital content, and also in the development of ICT infrastructure in those areas where the market fails.

Since the state of the environmental infrastructure is one of the decisive factors of economic growth and competitiveness, the Addendum to the NRP also specifies global objectives of the *environmental policy* and related measures.

The annex to the Addendum gives an overview of the proposed measures along with their implementation deadlines and sources of financing, and the assessment of their compliance with the provisions of Integrated Guidelines of the EU.



## 2 Microeconomic policy

Additional proposed microeconomic policy measures pursue the objective of further implementing those structural reforms that create the market for innovative goods and services, and that meet the parameters of pro-growth policy, while striving for a gradual establishment of balance between public interests and company interests. Their aim is to create basic preconditions for the growth of employment, prosperity of market entities and individuals, and for promoting a highly competitive social market economy. These new measures reflect the ambition of the government of the SR to introduce a European model of mixed economy in the form of a balanced interplay of the market and of the state.

In comparison with the measures approved for 2006 by government's Resolution No. 797/2005, measures proposed for 2007 and 2008 are aimed at increasing the competitiveness of industry so as to contribute to building a strong European base, while taking account of the potential of every region of the Slovak Republic, and at creating the possibilities for stimulating innovative production and services using local resources. An important role will be played also by the measures aimed at a more effective enforcement of competition policy through the regulation of network industries and stress on the economic aspect of energy policies. In compliance with the requirement of the Commission, measurable indicators are attached to new microeconomic policy measures: their assessment will show the degree of effectiveness of the use of financial resources from the state budget and from EU structural funds. Besides these indicators of effectiveness, an important role will be played by the position of the Slovak Republic in the international evaluation of indicators relating to the business environment.

Compared with the text of the first NPR report, the present text reflects also Slovak government's Resolution No. 832/2006 of 8 October approving the "Draft Update of the National Strategic Reference Framework of the Slovak Republic for 2007 – 2013", which includes a new Competitiveness and Economic Growth operational programme with a total value of EUR 772 million. In its "Draft Budget for Public Administration in 2007 – 2009" approved by Resolution No. 856/2006, the government allocated the amount of SKK 11.3 billion for the fulfilment of Lisbon agenda objectives.

### 2.1 Business environment

#### 2.1.1 Effective enforcement of laws

**1) *Completion of a new system of court organisation, administration and management in conformity with draft amendment to Act No. 757/2004 Coll.***

Act No. 371/2004 Coll. on Seats and Circuits of Courts in the Slovak Republic amending Act No. 99/1963 Coll. – the Code of Civil Procedure as amended – modified the structure of courts in the Slovak Republic: with effect from 1 January 2005: under the amendment, district courts act as first-instance courts, regional courts as appeal courts, and the Supreme Court of the Slovak Republic hears only extraordinary legal remedies, focusing mainly on the unification of judicial decisions. It should be added that in the 'Justice' section of its Manifesto, the government of the Slovak Republic pledged to '*ensure the assessment of the state of the Slovak judiciary from the viewpoint of law enforceability and the smoothness of court proceedings, and to prepare a set of essential organisational, systemic and material measures to prevent the recurrence of the deficiencies found, including increasing the number of judges for the necessary period, and making the essential decisions of the Court of Justice of the European Communities and of the European Court of Human Rights available to all judges in the Slovak language.*' At the same time, the government pledged in its Manifesto that it '*will consistently examine*

*the reform of courts' organisational structure, including the reasons for the dissolution of certain district courts, which caused increased public spending and made communication with the competent court more difficult, i.e., hindered access to justice*. The Framework Plan of Legislative Tasks of the Government of the Slovak Republic in the Fourth Term (hereinafter referred to as the 'Framework Legislative Plan') envisages an amendment to Act No. 371/2004 Coll. with a view to taking account of the findings on the consequences of the reform of the organisational structure of courts.

The second legal pillar in the area of court management and administration is Act No. 757/2004 Coll. on Courts and on amending and supplementing certain other laws, which took effect on 1 April 2005. Its objective is to draw a line between the administration of courts and the administration of justice, and to strengthen self-governing judicial institutions in the administration and management of courts and in the administration of justice. In conformity with the government's Manifesto which states the intention to adjust the internal organisation, management and administration of courts and judicial self-government, the Framework Legislative Plan comprises the task of amending Act No. 757/2004 Coll.

## ***2) Evaluation of experience relating to practical introduction and functioning of the case management system and adoption of corrective measures as appropriate***

The key objective of the case management project was to significantly reduce the potential for corruption at courts. At the same time, case management created conditions for shifting administrative tasks from judges to court employees (higher court officials and court secretaries), thus giving judges more time to perform judicial tasks.

The project included the introduction of electronic filing rooms and registers of civil and criminal files. It involved the introduction of electronic filing rooms at all levels of courts, including the Supreme Court of the Slovak Republic and the Special Court (note: these filing rooms do not correspond to electronic filing rooms set out in Act No. 215/2002 Coll. on Electronic Signature and on amending certain other laws as amended, which serve to receive, transmit and confirm the receipt of electronic documents); filing rooms at courts make it possible to confirm the receipt of submissions, to randomly assign cases, to set up a judicial file and a court register, all of which takes place in a span of a few minutes.

In the 'register' section, the Case Management project is currently applied to civil and criminal cases at all district and regional courts. As regards criminal cases, it is represented by the 'Criminal Module (STA) of the Case Management System', which is fully integrated with the already existing Filing Room module (adapted to meet the needs of integration). The STA makes it possible to keep record of the dates of hearings and parties to the proceedings.

It will be necessary to evaluate the experience obtained in the introduction and practical functioning of the STA Filing Room and take corrective measures, as appropriate.

## ***3) Extension of the project of effective exchange of information between law enforcement agencies – the "LEA" (Law Enforcement Agencies) project***

The acronym "LEA" refers to the project of effective electronic exchange of information on criminal cases between law enforcement agencies, i.e. the "LEA" project.

The long-term goal of the project is to introduce the possibility of electronic exchange of relevant documents, in particular the resolution to bring charges and the subsequent motion to file the indictment issued by a police authority, the final text of the indictment issued by a prosecution authority, or the text of the judgment issued by a court authority, and the texts of other related resolutions issued in the

criminal procedure by law enforcement authorities, in compliance with the requirements for data protection set out in the Code of Criminal Procedure. The Code of Criminal Procedure lays down the possibility of electronic exchange of information relating to criminal proceedings.

The following results have been achieved through the implementation of the project:

- at the inter-ministerial level, all communication procedures used in the contacts between law enforcement agencies have been analysed, documented and approved, including all documents used therein;
- at the inter-ministerial level, modalities of communication between individual information systems have been agreed upon;
- the data are entered into the information system at the place where they are created, and are used to generate documents in the information system concerned and in all subsequent information systems. They are available for the purpose of statistical processing;
- an analysis has been carried out within the Interior Ministry sector, describing investigation activities connected with the processing of data in criminal proceedings. Individual activities have been described in detail in the project on a new information system, the Management of Investigation Files. The implementation of this project is scheduled to start in 2007;
- a procedural analysis has been carried out within the Public Prosecution Office sector and the Justice Ministry sector, describing the activities related to the processing of data in criminal proceedings. Individual activities have been described in detail, and the necessary basic functionality was implemented in information systems;
- preconditions were created for introducing partial processing of electronic files. Electronic files should contain relevant structured data and documents; information systems partly implement the registers and make it possible to produce document printouts;
- the possibility of electronic communication was introduced with regard to the IS EOO (the register of sentenced persons) at the Criminal Register of the Public Prosecution Office, with regard to the IS of the Corps of Prison and Court Guard in the sector of the Ministry of Justice, and with regard to the IS REGOB (register of the population) in the sector of the Ministry of the Interior;
- the EOO information system at the Criminal Register has been adapted with a view to enabling applicants to obtain excerpts from the Criminal Register and to enabling the processing of electronically transmitted sentencing decisions, reports on the conditional suspension of criminal proceedings, and reports on court settlement.

***4) Create necessary preconditions for using new procedures of making records of hearings (audio/video) in civil matters, and records (video) in criminal matters; analysis and evaluation of findings on making records (audio) of criminal matters, and introduction of corrections, as appropriate***

The preconditions for introducing new procedures of making records of court hearings (audio/video) were introduced by Section 58 paragraph 3 of the Code of Criminal Procedure. The details are laid down in the implementing regulation, namely Section 56 of the Decree of the Ministry of Justice No. 543/2005 Coll. on the Administration and Office Rules of District Courts, Regional Courts, the Special Court and Military Courts, effective from 1 January 2006. Degree No. 417/2006 Coll. introduced several changes into administration rules with effect from 1 July 2006, including the specification of the provisions of Section 56. Conduct of court hearings may be recorded using the equipment and technical means for making audio and video recordings. The records thus produced are stored on a data carrier which is either attached to the relevant court file, or a note in the court file indicates the place of storage of the data carrier. The procedures involved in the recording of court hearings are carried out by specially trained court employees – technical assistants. Technical assistants make records of hearings using the ‘Court Hearing Records’ software. Where necessary for the proceedings, the presiding judge

may request a verbatim transcript of the record.

The currently available technical facilities enable making only audio recordings of court hearings. The production of video recordings or audio and/or video records of hearings in civil matters remains a challenge for the future.

Also in this field, it will be necessary to analyse and evaluate current judicial practices and to subsequently consider relevant legislative corrections.

***5) Ensure effective implementation of Bankruptcy and Restructuring Act No. 7/2005 Coll.***

As foreseen in the Framework Legislative Plan, amendments are to be adopted in 2007 to the law on bankruptcy and restructuring and on amending and supplementing certain other laws as amended, and to the law on official receivers (trustees) and on amending and supplementing certain other laws. These amendments will reflect the requirements and findings resulting from the practical application; this may also lead to improving the business environment in Slovakia.

***6) Introduce electronic proceedings at the Commercial Register***

The Ministry of Justice has introduced a legislative proposal for amending Act No. 530/2003 Coll. on the Commercial Register and on amending and supplementing certain other laws as amended. The adoption of the aforesaid legislation is in line with the undertakings given by the Slovak Republic in connection with EU membership, and reflects the need to align our legal system with the law of the European Union. The EC/EU law requires the Slovak Republic to transpose into its legal system, *inter alia*, the provisions enabling electronic filing of applications for the registration of business entities in the Commercial Register, including the supporting documents. At the same time, the proposed legislation enables the filing of electronic applications for excerpts and lays down the obligation of courts to issue electronic excerpts at the applicant's request. The proposal envisages the entry into effect of the law from 1 February 2007, except for the provisions enabling full operation of the electronic commercial register. These should become effective from 1 August 2007 because it is necessary to amend certain related provisions which do not fall under the competence of the Ministry of Justice.

***7) Create the preconditions for electronic filing under the Code of Civil Procedure***

Although the legislation that allows electronic filing, namely the Code of Civil Procedure, is already in force, steps are being taken to enable electronic filing in the actual practice. They are aimed, in particular, at securing the receipt of electronic submissions filed with district and regional courts. Ongoing efforts are underway to set up an electronic filing room on the Central Portal of Public Administration created in conformity with Act No. 275/2006 Coll. on Public Administration Information Systems. The portal is administered by the Ministry of Transport, Post and Telecommunications, and is run by the Office of the Government of the Slovak Republic.

***8) Enable transnational mergers and fusions of companies with share capital and incorporation of other amendments with a view to improving the business environment by means of amended Commercial Code and the law on the Commercial Register***

As foreseen in the Framework Legislative Plan, amendments are to be introduced in 2007 to Commercial Code No. 513/1991 Coll. as amended with a view to incorporating the measures aimed at improving the business environment, findings from the application practice of courts, and to implementing the EP and Council directive on transnational mergers or fusions of companies with share

capital, on the formation of public limited liability companies, maintenance and alteration of their capital, and on shareholders' rights.

**9) *Create electronic archives for the records of hearings on criminal and civil matters***

New procedures for making records of hearings require that the records of hearings be archived in conformity with statutory norms, archiving rules and generally recognised standards. Given the fact that the data contained therein are sensitive in terms of access rights and that it is necessary to ensure the security and reliability of the entire system, adequate means must be used to secure the archiving of these records, as well as their accessibility and reliability.

The objective of the project is to enable archiving the records of court hearings in the quality and under the conditions that will ensure their accessibility and reliability.

**10) *Increase IT security – creation of preconditions and information security for key applications and services of the sector, and services for business entities and the general public***

In the last few years, the sector carried out several significant projects such as Case Management, Commercial Register, JASPI, etc., whose added benefit was the improvement of computer literacy and of relevant working conditions. The implementation of these projects of crucial significance for the sector entails the need to ensure the security of the surrounding IT environment and of the systems in general. Up to the present, the main focus has been laid on ensuring the security of the systems vis-à-vis the outside world. However, given the scope and significance of applications for judicial proceedings, it is also necessary to strengthen the internal security of the systems. The project therefore aims at ensuring the internal security of the systems used in the sector and of the IT environment.

**11) *Build an information system that covers the entire legislative flow, from drawing up legislative proposals up to their final approval***

A uniform information system for monitoring the legislative process will ensure the unification of the legislative process and enable a better overview and search in legislative materials.

The objective of a uniform information system on the legislative process is to unify the process of the formulation of legislative materials, to enable a better overview of legislative changes, to publish legislative materials in a synoptic form along with all relevant opinions on the Internet, to automatically inform all those concerned about the published legislative materials, their changes and their current status, consistent observation of legislative rules including time limits, and creation of adequate conditions for assessing the legislative review procedure.

Envisaged beneficiaries of the system are state administrative and other authorities and the general public; the system is expected to form the basis for an electronic collection of laws, to enable a ready and simple orientation in the legislative system of Slovakia, and thus to increase legal awareness of the population.

**Introduction of the system of regulatory impact assessment (RIA – Regulatory Impact Assessment)**

**12) *Prepare an assessment of administrative barriers to business on the basis of selected laws***

*Part 1: List of selected legal acts that have the biggest impact on the business environment and their characteristics*

*Part 2: Assessment and estimation of regulatory impact on the business environment*

*13) Regulate the process of regulatory impact assessment. Introduce the possibility of discussing legislative proposals and their various alternatives from the very outset of their formulation, and enact the obligation of the drafters of proposals to estimate their costs and benefits*

*14) Adopt the concept of RIA (BIA) and implement it with sufficient effectiveness and with necessary technological, legislative and personnel support*

*15) Ensure that the business impact assessment (BIA) be carried out in accordance with the "Draft Uniform Methodology for Preparing and Assessing the Clause of Financial, Economic and Environmental Impact, Impact on Employment and the Business Environment in the section relating to the impact on economic activities of the business sector including business and employment impact" to be submitted to the Government by 12/2006*

*16) Train civil servants in the methodology of assessing regulatory impact on the business environment*

The legislation and a large number of strategic documents of the EU and of the Slovak government lead to a considerable increase in bureaucracy and restrictions for the business sector. The objective of the above measures is to eliminate these consequences already in step one, i.e. immediately before proceeding to the next stage of the approval process. Administrative burden on businesses is inherent to economic or social regulations imposed by the state on entrepreneurs, who are confronted with them on a daily basis. As such, they certainly do not constitute a more important problem than the regulations which give rise to various administrative obligations. But, if they are too numerous, they create an excessive demand for information on the part of public administration, unnecessary costs and time spent on various formalities. This may lead to questioning the soundness or legitimacy of certain regulations. The objective of impact assessment is to prevent the adoption of such legal regulations that would impose an unnecessary or excessive burden on the companies and lower their competitiveness. Besides the general simplification of the legislative process, the drafters of legislation should also strive to make its content as intelligible as possible. Because of the absence of correct drafting of legislation at the initial stages of the process, proposals must be consulted with all stakeholders. The failure to enable a discussion about fundamental decisions at the early stages of the legislative process results in the instability and low quality of the legislative and regulatory environment in Slovakia.

***Measurable indicator:***

- The number of re-assessed legislative and other norms

## **2.1.2 Strengthening competitive advantages of the industrial base**

*1) As regards the use of structural funds, their flow should be channelled into fostering the increase in the ratio of value added to material and energy consumption, and the ratio of value added to total wages paid*

***2) Create favourable conditions for tourist and hotel industries as areas of public interest, with emphasis on enhancing their development and importance for the generation of gross domestic product***

To reach the objectives of strengthening competitive advantages of the industrial base, ensure sustainable growth, and attain the level comparable with EU countries, it is necessary to focus on high value-added and high-quality sectors and products, with a high share of innovative products and new technologies, and on a broader application of knowledge (increased demands on manpower qualification). The salient feature of the new profile of Slovakia's industrial base is the production of the means of transport and components, manufacturing of metal and metal products, and the related engineering and electrotechnical production. By 2010, the share of automotive industry in the industrial output of Slovakia will significantly increase: it will create over 20 thousand new jobs and will become a key factor in the economic growth of Slovakia. The product range of the four carmakers will be considerably diversified. The VW is already oriented on the production of luxury off-roads, the PSA Peugeot Citroen will concentrate on making medium car categories, while KIA – Hyundai will make even cheaper cars. FORD will make transmission gears. It is thus not likely that a sales crisis would hit all the segments at the same time. Naturally, the threat of relocating these productions to cheaper territories is real, but not in the horizon of the next few years. The production of automobiles is getting increasingly more sophisticated. It requires logistic and other support that the less developed countries cannot offer. Moreover, the advantages of Slovakia include its geographic proximity to the key outlets, a general tradition of industrial production, and available manpower resources. In all probability, the benefits of the high share of car-making industry in the industrial production of Slovakia will prevail in the next few years. Car factories will create new opportunities for domestic suppliers, mainly from the engineering, electrotechnical, furniture, textile and garment industries. Logistic links that exist between the automotive industry on the one hand and the metallurgy industry and the manufacturing of rubber and plastic products on the other hand will be further strengthened. Qualitative requirements of the automotive industry will help Slovak companies to satisfy also the demands of other clients. Participation in global supplier networks will have a number of synergic and multiplier effects. The automotive industry will contribute to an effective restructuring of the related industrial sectors and will generate qualitative changes in the economy of Slovakia.

Other important productions include those based on the use of raw materials of domestic provenience, such as production of other non-metallic mineral products, or timber-based products. In the field of industrial policy, the Slovak government will focus mainly on short-term and medium-term programmes for enhancing the competitiveness of the industry in order to contribute to creating a strong European base, while strengthening the potential of individual regions of Slovakia; it will also formulate the principles underpinning the state policy of tourism development, and create economic and financial investment incentives with the aim of firmly incorporating the tourist and hotel industry into the new general profile of the industry. The absolute amount of value added is not a key factor in individual industrial sectors – instead, it is the share of value added per unit of material and energy consumption, and the share of value added per unit of wages paid. These indicators allow making an objective measurement and optimum comparisons of competitiveness. Through the selection of projects we will support those applicants who guarantee the biggest increase in these indicators over and above their average value in the agglomerate of industrial production or in the sector concerned.

***Measurable indicators:***

- Increase in the ratio of value added to material and energy consumption, in %
- Increase in the ratio of value added to total wages paid, in %
- Increase in the share of tourism and hotel industry in the GDP, in %

- 3) *Support the development of new technologies mainly with focus on product and process innovation aimed at achieving optimum competitiveness by means of increasing the ratio of value added to material and energy consumption, and the ratio of value added to total wages paid*

Support for the introduction of innovative and advanced technologies leads to strengthening competitive advantages of the industrial base. In this regard, one important line of support is its orientation on the development of environmentally friendly productions – an essential prerequisite for sustainable development in the environmental field in the future. Suitable instruments that may help offset the risks connected with investment in cleaner and more innovative technologies and the related return on investment can have the form of direct or indirect state aid. We shall gear the development of new technologies mainly towards attaining optimum effectiveness of industrial production, the underlying rationale being that the maximum generation of value added with the minimum material and energy consumption gives a real guarantee of reducing the creation of side products such as wastes and emissions, and of meeting the demands of sustainable development.

*Measurable indicator:*

- The number of supported projects involving product and/or process innovation

- 4) *Promote the interests of the business sphere related to access to third-country markets and removing non-tariff obstacles to trade in the framework of multilateral talks within the World Trade Organisation, and promoting bilateral and regional cooperation through drawing up preferential trade agreements*

- 5) *Formulate the pro-export policy of the SR for 2006 – 2010*

Slovakia will support the strengthening of mutually beneficial and balanced relations with EU countries and third countries. In the framework of Article 133 committee and other committees and expert working parties of the EU Council and the Commission, it will create conditions for further liberalisation of trade in goods and services, and for eliminating barriers in conformity with the principles of common trade policy. In the framework of V4 countries, it will support the activities aimed at cross-border cooperation and implementation of joint regional projects.

### 2.1.3 Public institutions as a partner and not a burden

#### Expand and deepen the Internal Market

- 1) *Involve the business community in the legislative process*
- 2) *Prepare an advance legal analysis of the impact of the service directive on the current legislation of the SR*
- 3) *Review legislative procedures with a view to reducing the time horizon for implementation*
- 4) *Make use of all technical and institutional instruments of the EU for a more effective transposition of directives to the national legislation*
- 5) *Make an effort at involving relevant institutions of the Slovak Republic into the IMI project – the Internal Market Information System*

***6) Remove unnecessary and unjustified obstacles to issuing business authorisations and to the recognition of professional qualifications, and gradually introduce the possibility of more effective electronic communication***

Legal analysis of the impact of the service directive on the current Slovak legislation will be prepared in sufficient time to allow, immediately after the passage of the directive, the drafting of new laws and/or amending the existing regulations it will affect. All available technical and institutional means will be used in the process of transposing the directive more effectively to the national legislation, including the pro-active participation of the business community and its involvement in the drafting of regulations through working parties. An ideal solution seems to be the EBTP (the European Business Test Panel) for the SR, i. e. the EC consultation mechanism. Through this survey mechanism the Commission gathers the opinions of the business community of Member States on EU legislative proposals and policies. By joining the EBTP consultation mechanism, Slovak companies can participate in the preparation of EU legislative proposals, mainly by presenting their opinions and pointing to the potential impact of the envisaged legislation on their activities. At this time, a total of 18 business entities have obtained registration in the EBTP centre.

Consultations with the public included a survey involving 60 business entities, carried out to explore the possibility of amending the existing legal provisions that have an impact on the internal market. The directive on services in the internal market comprises measures that will result in administrative and legal simplification of the establishment of service providers. The draft directive lays down the principles which the Slovak Republic will have to respect when granting authorisations. The authorisation scheme must not discriminate against the provider of service, the need for an authorisation scheme must be justified by an overriding reason relating to the public interest, and the objective pursued by the authorisation cannot be attained by means of a less restrictive measure. Restrictive requirements, discrimination on grounds of the recipient's nationality or national or local residence are prohibited. The Slovak Republic will have to remove discriminatory, disproportionate and unjustified barriers that prevent or hinder cross-border provision of services (temporary services) also by enacting new legislation and/or amending the existing one. It will take action to involve individual institutions of the SR in the IMI project – the Internal Market Information System. The objective of the project is to create a database of selected institutions in the Slovak Republic and institutions with identical orientation in other Member States for the purpose of mutual cooperation in the exchange of information on EU legislation in force relating to services in the internal market.

***Increase the transparency of state aid***

***7) Draft a law on investment aid and investment aid scheme aimed at preventing the distortion of competition***

The objective of the proposed legislation is to continue granting investment incentives also in the forthcoming period in conformity with a new EU Guideline No. 2006/C 54/08 of 4 March 2006 on national regional aid for 2007 – 2013, and draft regulation No. 2006/C 120/02 of 20 May 2006 on the application of Articles 87 and 88 of the EC Treaty to national regional investment aid, which explicitly provide that the rules governing investment aid are equal for domestic and foreign investors. By means of the law on investment aid (incentives) and the investment aid scheme, framework principles and criteria will be created for the provision of state aid with special emphasis on supporting investment projects in knowledge-based economy and high value-added projects. The scheme will be defined in the implementing regulation to the law, which will set out detailed criteria for granting investment aid.

### Improve the business infrastructure

- 8) *Ensure the creation of one-stop shops with a view to significantly facilitating the fulfilment of the complete array of registration and pre-registration obligations of entrepreneurs, with emphasis on using the benefits of electronic communication.*

The objective of establishing and running one-stop-shops is to facilitate market access not only for future Slovak entrepreneurs, but also for foreign entrepreneurs from EU Member States who are interested in getting established in the Slovak Republic. One-stop-shops will enable prospective entrepreneurs to obtain all necessary authorisations and the forms required for starting up business at a single place

- 9) *Develop a uniform integrated form for the purpose of starting up and doing business*

The form will be available at one-stop-shops for all entrepreneurs who will use their services, and will contain all necessary data for issuing the "entrepreneurial package" – the business authorisation, the certificate on registration with the competent tax authority, social insurance company and health insurance company, etc.

#### 2.1.4 Effective access to capital for all companies

- 1) *Establish three new venture capital funds: a) Seed Capital Fund ('Seed Fund'), b) Start-up Capital Fund ('Start-up Fund'), c) Development Fund, and adopt a programme for the provision of training services in the business development field using venture capital*

The objective of individual venture capital funds is to prevent market failures at individual stages of the innovation cycle, since private venture capital funds are usually oriented on high-return hi-tech products, i.e. investment is made only after the research and development stage. Venture capital funds comprising public resources are complementary to direct innovation support schemes. While venture capital funds investing in individual projects rely on the combination of resources from both the public and the private sectors (the public sector partner playing a passive role) and on the professional management of individual funds based on commercial criteria (with softer requirements for the rate of yield compared with fully private investor), the schemes funded exclusively from the public administration budget cover those stages of the innovation cycle which are unacceptable for private investors. The reason they are acceptable for the public sector is that they bring indirect effects in the form of creating potential for increasing the competitiveness and thus for higher economic growth and higher creation of jobs in the medium to long-term perspective. The Ministry of Finance and the Ministry of Economy propose the setting up of the following venture capital funds:

- a) *a seed capital fund* aimed at supporting investment in the development of new technologies or products, including the production of prototypes and formulation of business objectives,
- b) *a start-up venture capital fund* to support the finalisation of products for the market and the functioning of the company in the first years of its existence,
- c) *a development capital fund* for financing the companies which have a product with market potential, with the aim of financing an increase in their market share.

## 2.1.5 Quality physical infrastructure and services in network industries and liberalisation of energy markets

- 1) *Amend the energy-related legislation, in particular prepare a draft amendment to Act No. 276/2001 Coll. on Regulation in Network Industries as amended, and amendment to Energy Act No. 656/2004 Coll.*

The current state of and trends in energy prices in Slovakia have, in addition to their direct impact on the standard of living of the population, an important influence also on the costs of businesses. It has therefore been recommended to introduce a comprehensive regulation of electricity, gas and water prices, i.e. regulation also of other services related to electricity, water and gas supplies. It has been proposed to apply this measure for as long as necessary, until a sufficiently competitive environment has been created on the Slovak electricity and gas market. The amendment to the law on regulation in network industries has mainly the objective of introducing legislative provisions on the status of the regulatory office, on the object of substantive and price regulation, on the rights and obligations of electricity and gas market participants, on increasing the accountability of suppliers and operators for security, stability and reliability of energy supplies, on specifying the tasks of the Regulatory Office for Network Industries in the area of optimum price policy, on strengthening control and regulatory powers of the state in relation to natural monopolies, on measures aimed at ensuring equal conditions for all market participants, and on preventing the abuse of dominant market position. The measure serves to implement European policies and European directives in the area of energy.

### *Measurable indicators:*

- Degree of market openness, in %
- Accounting, functional and legal separation, in %
- Establishment of new traders in electricity and gas, in %

- 2) *Support TEN-E studies (coverage of 50 % of eligible costs) and projects identified in the decision and guidelines related to TEN-E*

Experience of the Community with introducing internal market in energy has confirmed the importance of Transeuropean Energy Networks (TEN-E) that have an important place in the energy sector of the European Union. The establishment and strengthening of physical cross-border connections will secure an effective and reliable functioning of the internal market in energy, maintenance and enhancement of security and diversification of energy supplies, as well as the transit of and trading in electricity and gas. The resulting intensification of international trade will bring corresponding economic benefits to Slovakia. The advantageous geographical situation of Slovakia facilitates the trade in electricity and gas and the transit of these media to a number of European countries, thus increasing the diversification of energy supplies to the entire European transmission system. This will increase the competitiveness on the internal market in energy between the old and the new Member States. The most important objective for Slovakia in the forthcoming period is the building of new or of lacking cross-border connections with the neighbouring Member States and with the most important third-country suppliers of energy to the EU and, in this context, completing the construction of domestic connections. The grid and network modernisation requires the strengthening and reconstruction of the existing electricity supply lines at the points of possible grid overload (identification of bottlenecks, missing connections) and the expansion of gas transport facilities (gas pipelines) to satisfy the demand and diversify supplies from domestic and external sources, and to also diversify supply routes. This measure serves to implement European policies in the field of energy. Implementation of the measure will require funding from private sources and from EC sources (TEN budget and structural funds)

*Measurable indicator:*

- Increase in the gross additional transmission capacity in MVA<sup>1</sup>

*Promote entrepreneurial activities in the area of renewable energy resources*

- 3) Promote entrepreneurial activities in the area of renewable energy resources*
- 4) Increase the energy efficiency on the side of the production and consumption and introducing progressive technologies in the energy sector, changing the fuel base of energy resources with emphasis on low emission and renewable resources, on the use of renewable resources both by private companies and in public services, information of the public*
- 5) Develop an energy efficiency concept*
- 6) Draw up a law on energy efficiency*
- 7) Formulate a National Energy Efficiency Action Plan*

Reduction of energy intensity of the Slovak economy is one of the main objectives of Slovakia's Energy Policy. Given the fact that, as regards energy intensity, the largest consumer of electricity is the industry, the goal of reducing energy intensity of the Slovak economy will make it necessary to focus attention mainly on reducing energy intensity in the industry and in services by ensuring a more efficient use of energy; this will also contribute to increasing the competitiveness of the industry and to meeting the requirements of the new environmental and energy legislation. To meet these requirements, it will be necessary mainly to renew the existing production by installing progressive technologies with minimum requirements on energy and raw materials. The objective of the measure is to increase the share of renewable energy resources (RER) in the consumption of energy in Slovakia. After the government has discussed the "Strategy for Increasing the Use of RER in the SR" (which is currently subject to a review and approval procedure), it will formulate the tasks for individual members of the government with a view to increasing the use of renewable energy resources. The implementation of this measure will require financing from both public budgets and structural funds.

In the long run, the attainment of the objective of increasing the competitiveness will call for improvements in energy efficiency and for decreasing the dependency on foreign supplies, including through the use of the potential of own renewable resources. The potential for energy efficiency improvements can be seen across the board in all the areas of economy. The measures serve to implement European policies and European directives in the energy field. The implementation of the measures will require financing from public budgets and structural funds and efficiency improvements – from the extraction, alteration and processing of energy and raw material resources, through the generation of energy, its transformation, distribution, up to its final use. The benefits consist in the reduced consumption of primary fuels, reduced energy generation costs, broader range of support services, mitigation of adverse environmental impacts of energy generation, and improved operational flexibility. The potential for energy savings exists mainly in technological processes, in the management of energy flows, and in the reduction of heat loss from buildings.

*Measurable indicators:*

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<sup>1</sup> The evaluation of these indicators depends on the takeup of structural funds.

- Energy intensity of the economy (gross domestic energy consumption per GDP unit), in toe/1000 EUR
- Energy savings attained as a result of individual projects, in MWh/year or GJ/year <sup>2</sup>
- The number of awareness-raising events – the number of events <sup>3</sup>

## 2.2 Science, research and innovations

### 2.2.1 Training of and providing support to quality scientists

- 1) *Formulate a new state programme for upgrading the research and development infrastructure with emphasis on developing the technical infrastructure of research and technological development, and on supporting human resources in research and development*

The new state programme for upgrading the research and development infrastructure with emphasis on developing the technical infrastructure of research and technological development, and on supporting human resources in research and development will create links between training institutions and the business environment of small and medium-sized undertakings, thus enhancing the skill level of researchers and improving the transfer of the results of scientific and technological development to the practice.

***Measurable indicator:***

- The number of projects submitted in response to the call for projects under the state infrastructure development programme

### 2.2.2 Research of international quality with adequate links to the business sector

- 1) *Provide financial support for establishing and running the networks of technology transfer and research/training centres through the intermediary of which young researchers, doctoral students and post-doctoral fellows will participate in research and development projects carried out under the state infrastructure development programme and the programmes of the Slovak Research and Development Agency*

The provision of financial support for establishing and running the networks of technology transfer and research/training centres through the intermediary of which young researchers, doctoral students and post-doctoral fellows will participate in research and development projects carried out under the state infrastructure development programme and the programmes of the Slovak Research and Development Agency will improve the pool of qualified researchers, and the transfer of the results of research and development to practice.

***Measurable indicator:***

- The number of projects submitted under the state infrastructure development programme and the programmes of the Slovak Research and Development Agency

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<sup>2</sup> The evaluation of these indicators depends on the takeup of structural funds.

<sup>3</sup> The evaluation of these indicators depends on the takeup of structural funds.

### 2.2.3 Effective public support for entrepreneurial activities aimed at technological development and innovations

- 1) *Establish an Innovation Promotion and Development Agency with a network of regional offices aimed at providing comprehensive services in the area of innovation to entities active in this field, mainly to SMEs*

The Innovation Promotion and Development Agency to be created in 2007 will provide, through its regional offices, comprehensive services in the area of innovation to entities active in this field, mainly to SMEs. In compliance with its statute and/or mandate, the Agency will carry out professional activities in the area of innovation training, financing, control and evaluation of innovation programmes, projects and services, and international cooperation. The Agency will oversee the eligibility of the use of funds allocated for individual projects. The tasks of the Agency will also include training and promotion in the area of innovative entrepreneurship; the Agency is expected to cooperate with the Ministry of Education and the Ministry of Labour, Social Affairs and Family. Innovation activities are to be funded from several sources. Funding from public sources will include financing from the state budget, from structural funds and from Community programmes (CIP and the 7<sup>th</sup> FP). Co-financing from private sources is foreseen at the level of 50 to 66 %.

- 2) *Support the creation of innovation clusters in the framework of public-private partnerships*

Innovation clusters within the framework of public-private partnerships are to be supported from structural funds and are intended to create conditions for cooperation between the business sector and universities, entrepreneurial and innovation centres in certain industries and services in conformity with the development potential of the region concerned.

- 3) *Organise seminars and meetings with the aim of informing the companies about the need to focus on innovations and the "living labs", which are instrumental for improving the competitiveness and for addressing the issue of financing innovative projects carried out under innovation programmes*
- 4) *Adopt a law on investment aid which will create more advantageous conditions for investors offering a higher value added in high-tech sectors, in the area of technology centres and strategic services*

The government will create more favourable conditions for investment promotion with emphasis on supporting investment projects in the area of the knowledge-based economy and higher value-added projects in the area of technology centres and strategic services. This is expected to lead to drawing up and passing a new law on investment aid that will stimulate investment in high value-added projects. The law will identify the economic sectors that are to be supported, forms of investment aid, and the criteria under which it will be provided. Organisation of seminars and meetings should contribute to the use of new forms of the provision of services to innovators by means of living labs.

- 5) *Amend Public Procurement Act No. 25/2006 Coll. by introducing the obligation of public procurement of innovative products and services*

One of the key indirect instruments for state innovation support is the creation of the demand for innovative products and services. By means of targeted measures laid down in the public procurement law, the state may create a favourable environment for the producers and providers of services. The private sector will be motivated to increase investment in modern innovative technologies if it can be

certain that it will find outlets for its products; amended Public Procurement Act No. 25/2006 Coll. should create just that kind of environment by setting out the percentage (10 – 15 %) of products and services that are subject to the public procurement obligation.

***Measurable indicator:***

- The share of innovative products and services in the overall volume of public procurement, in %

***6) Set up a direct support scheme for promoting innovation activities using public funds (the state budget and EU funds) in the form of co-financing innovation projects carried out under innovation programmes***

To be able to attain financial profits and maintain their competitive advantage on the market, business entities must make considerable expenditures on innovation-oriented research and development. Since the development of innovations is a complex process, involving the activities ranging from research through application of its results to their commercial exploitation, the business sector (especially the SMEs) is often unable to bear these costs in their entirety, especially because of the shortage of own available financial resources. Since the Slovak government has identified innovations as one of its priorities, the demand of the business sector to have the opportunity to apply for state support in the area of innovation is quite justified. One of the available possibilities is to obtain direct support in the form of co-financing of innovation projects from public sources (the state budget and EU funds).

***Measurable indicators:***

- The volume of financial means for the implementation of innovation projects (in SKK million)
- Increase in value added through project implementation (in SKK million)

## 2.3 Information society

Informatisation of the society is a systematic process of introducing and using information and communication technologies in all the processes where they will enhance the economic and effective use of all available resources. Informatisation of the society stimulates economic growth and labour productivity, creates new jobs and economic activities, increases the share of value added and concentrates the highest innovation potential.<sup>4</sup> New information and communication technologies remove geographical and human barriers, enhance competitiveness in the global economy, and ultimately constitute the basic prerequisite and one of the most important incentives for the development of a knowledge-based society.

The irreplaceable role of the state in this regard consists, in particular, in the introduction of modern competitive public e-services, creation of and providing access to useful digital content, and in the development of ICT infrastructure in those areas where the market fails.

Priority topics are:

- electronisation of public administration and development of electronic services,
- computer literacy
- eHealth

They correspond to the objectives defined in Integrated Guideline No. 9.

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<sup>4</sup> The ICT sector (Electric communication technique + Computing) had the highest share in 2003 – 2004 (16.4%) of registered EPO patents for 10 leading industries, the second most important industry being healthcare, veterinary care and hygiene (11.1%). Source: EPO, 2005, [http://annual-report.european-patent-office.org/facts\\_figures/](http://annual-report.european-patent-office.org/facts_figures/)

### 2.3.1 Electronisation of public administration and development of electronic services

Slovakia is going through the initial stage of implementing essential, mainly central, eGovernment services and securing their connection to the central public administration portal. The legal framework governing the development of the public administration information system (PAIS) was created in 2006, and the Road Map for introducing eGovernment services was approved in the same year. The low level of interlinking within the PAIS and lack of standardisation of public administration processes reduce the operational effectiveness and quality of cross-sectional (managerial and supporting) procedures performed by public administration (back-office). This is manifested, *inter alia*, in the continued inability of the budgeting system, i.e. the key system in the public administration management system, to ensure a transparent management of public budget based on the criteria of effectiveness and efficiency. It does not make it possible to aggregate data in the required scope and quality and thus to develop the systems and processes for supporting decision-making in public administration ("smart administration"). In some cases, regional information systems effectively operate at the self-government level, but they offer only limited benefit because their development is not coordinated with other PIASs. Since the management of public services at the central level suffers from the absence of interconnection between central information systems, the Ministry of Transport, Post and Telecommunication has proposed to adopt a **Road Map for Self-Governing Authorities**. In general, public services are performed in an inefficient manner and do not adequately use the potential offered by ICTs. The consequences of this situation include the low quality of services provided in direct interactions between the authorities, citizens and entrepreneurs (front office).

According to the Road Map for introducing basic public e-services, e-services would bring time savings to Slovak citizens of approx. 1 working week, i. e. they would result in direct financial savings of around SKK 4,000.-/working person. In other words, time loss alone (caused by the low productivity of services) reduces direct tax revenues for the state budget by SKK 3,337 million. At the current rate of economy and productivity growth, this amount would grow year-on-year by 4 – 5 %.

According to the government's Manifesto and in conformity with international commitments, priority tasks connected with the development of information society in Slovakia in the forthcoming period include the creation of legislative conditions for a functional model of electronic public administration services by adopting a **law on electronic public administration and public administration registers**. The objective of the draft law is to create legislative preconditions for an integrated model of electronic services in public administration. It should provide generalised electronic access to essential public services, and comprise interconnected public administration registers, so as to enable full electronic exchange of data between the citizens, the public sector and the private sector. Strong emphasis is laid on enhancing the information security and protection of personal data. The crucial task will be to find a technical solution for securing the interconnection between the registers of individual public administration authorities. The law will create a model of public administration services with interconnected and cooperating information systems that will meet all user requirements for the provision of quality services in real time (on-line).

**In order to ensure communication between information systems in public administration, efforts will continue at introducing a unique identifier.** The purpose of the task "Introduction of the identifier for communication between public administration information systems and the creation of unique identifiers of citizens based on birth identification numbers" is to introduce a unique identifier for communication between public administration information systems.

**Free information access to the cadastre.** The objective of free access to the cadastre is to enable the general public to freely accede to information through the Internet. This task addresses the provision of the necessary technical equipment, licensing and adaptation of the original application. The implementation of the task falls within the context of implementation of the tasks related to the

harmonisation of public administration registers in conformity with the envisaged law on public administration registers and the law on eGovernment. The delivery of high-performance HW equipment is currently in progress; the equipment is to be installed in the premises of the Geodetic and Cartographic Institute. The delivery of SW ORACLE licences will also be completed in the course of the current year. The development of SW application of the cadastre portal which is currently in progress will be completed according to the proposed timetable by the end of March 2007.

***Expand the use of electronic signature in public administration institutions with a view to supporting the business environment and electronic communication in public administration.*** The legal framework for the use of electronic communication in public administration has been created by means of a number of legal regulations transposing relevant EP and Council directives. Communication with public administration, especially in procedural and legal matters, will require the use of guaranteed electronic signature that will ensure the safety of transmission and unchangeability of the document. The objective of this task is to create conditions for using electronic signature by legal and natural persons in the provision of services, and to simplify communication between the citizens, companies and key public administration institutions. The aim is to significantly expand the use of licences, and to develop and provide electronic forms for securing communication on the basis of guaranteed electronic signature. The implementation of SW and the training of staff will be completed by the end of 2006. At this point, the software has been installed in approx. 700 work posts across the Slovak Republic. When completed, the project will comprise a total of 1,000 installation sites in Slovakia, most of them with public access.

#### ***Project of internetisation of public libraries, Stage II***

Public scientific, municipal and local libraries represent a huge source of information and knowledge for the general public. It is therefore necessary to ensure their connection to the broadband Internet and to open them for the public. This will create a modern and inexpensive alternative network of several thousand public access sites to the Internet all over Slovakia. At the same time, the building of national digital libraries for research, science, technology and education, and of the system of electronic publishing will improve access of the population of the Slovak Republic to specialised information.

#### **Objectives of the task:**

- to ensure the continuation of the project at Stage II with a view to installing public Internet work posts in public and scientific libraries and enabling access to public information sources and services
- to support the building of national digital libraries for science, research, technology and education
- to support a publicly accessible system of electronic publishing

#### ***Measurable progress indicators:***

- increase in the number of public libraries with a professional staff member and at least one publicly accessible computer connected to the broadband Internet by 200 libraries

#### ***Create a national information structure and its use by the business sector and the general public across the country***

One of the best ways of how to ensure the transformation of Slovakia into a dynamic knowledge-based economy and society is informatisation of the society. It is necessary to apply a systemic and professional solution to the provision of information support for industry and services by selected scientific, academic and specialised libraries with a view to facilitating access of the business community to the latest information and increasing the level of innovation in science, industry, research, services, and education. This should help improve the competitiveness of Slovak companies, develop information technologies – an important factor of economic growth – and make the transition to an information and knowledge-based economy and achieve the growth of labour productivity and

employment. The national information infrastructure guarantees access to information and education, protects privacy and ensures security, protects intellectual property, competitive environment, and supports technological innovations. This presupposes the development of library, information and information retrieval services, access to full-text databases, standards, patents, regulations, analyses, selective individual information, and the provision of publishing, educational and consultancy services by newly established information and scientific centres.

*Measurable progress indicators:*

- the number of registered entrepreneurs using the services
- the number of searches from electronic information sources provided to entrepreneurs
- the number of innovations and increase in the use of modern technologies

### 2.3.2 Information literacy

*“Digitálne štúrovstvo na školách.”* The objective of the project “Digitálne štúrovstvo na školách” is to increase computer literacy of the population throughout Slovakia by means of training centres with Internet access, set up within elementary and secondary schools; they provide Internet access, eGovernment services, and consultancy through specialists engaged by schools in response to the needs of citizens. The project utilises the already existing equipment at schools obtained in the past period, especially in the framework of the Infovek project and the Computers for Schools project, and it employs trained lecturers. The project enables the use of ICT at schools both during and outside of classes (24-hour connection mostly to the broadband Internet, PC, printers, scanners, digital cameras), which had been purchased in the past for schools from the state budget. The “Digitálne štúrovstvo” project attracts members of local communities, as well as specific groups of population such as senior citizens, persons with disabilities, the unemployed interested in studying and learning how to use the Internet, to schools. At the same time, the project helps improve the technical standard of schools, which may use project funds to purchase e.g. data projectors, notebooks, PCs, interactive boards and also to reward instructors – school teachers. The benefits include improvements in digital literacy of the population, a wider use of the existing eGovernment services, and the development of a learning society – a precondition for making the passage to a knowledge-based economy.

The project was carried out between October 2005 and December 2006 at 826 schools and, according to a preliminary survey, a total of 70,000 persons have been trained under the project, most of them in rural areas. The average length of training is approx. 20 hours. Thus, a relatively modest amount enabled a significant improvement in digital literacy of the population all over Slovakia and made it possible to gradually close the gap between urban and rural areas in the ability to use ICTs. The project “Digitálne štúrovstvo na školách” was awarded the first place at the fifth year of the International ITAPA 2006 Congress in the competition for the **best IT project** in the area of public administration, the category of New Services.

Efforts will be made in 2007 to provide support to approx. 500 schools at the cost of SKK 50 million.

*European Computer Driving Licence for public administration.* The principal objective of the project is to provide training to public administration employees aimed at broadening and improving their computer skills and enabling them to obtain an internationally recognised ECDL certificate. The need for such training and its certification results from the rapid transition to an information society in Slovakia, in which the key technology is work with information, i.e. its collection, processing, storing and dissemination. Tremendous development of information and communication technologies (ICTs) and their use in practically all areas of life of the society entails the need of lifelong learning and certification

of knowledge for wide groups of persons performing a variety of (non-computer) professions in order to enable them to creatively use these technologies in their work. Systematic introduction of training programmes should pay due attention to the quality of training and its contribution to professional upgrading of employees. In a situation characterised by the need for extensive knowledge, which calls for relatively frequent updating, information technologies represent the basic means for establishing and maintaining the "knowledge infrastructure" of organisations. To use them in a correct manner, employees must receive systematic training. The project enables the employers to verify the skills of their employees in a uniform and certified manner in order to ascertain whether the IT investment and the related training are sound and effective.

At this stage, the project that has been carried out in Slovakia since February 2006 is limited to the Bratislava self-governing region. It is to be extended also to other regions in the course of 2007 and 2008. The project is and will continue to be funded from the ESF; the costs of training and certification of 40,000 employees are estimated to reach SKK 240 million.

### 2.3.3 Informatisation of the health system – e-Health

The government Manifesto states that the health system and its informatisation – eHealth – is a top priority. It involves the use of modern information and communication technologies with the aim of meeting expectations of citizens, patients, healthcare providers, and specialised personnel. Informatisation of the health system will help improve effectiveness and bring added value to the healthcare system by avoiding duplications, unnecessary diagnoses or therapeutic interventions and laying emphasis on continuous care, improved communication within the health sector, and broad access to health information and evidence-based medicine. The national health information system and services may, with the support of organisational changes and development of new skills, significantly contribute to improving access to health services, and to increasing their effectiveness and productivity. The means for carrying out informatisation of the health sector include standardisation of classification codes, data interfaces and work procedures of healthcare providers (HPs), establishment of data storage points, internetisation of work posts of healthcare providers, modernisation of application software for HPs on the basis of proposed national and international standards, development of policies for identification, authentication and authorisation at the national and international level, and the **development and implementation of eHealth applications** such as electronic patient files, electronic prescription and medication. Such a broadly conceived programme must be supported by computerisation at the level of the sector – the Ministry of Health and its specialised National Health Information Centre. The concept of healthcare informatisation cannot be developed outside of the health sector.

### 3 Environmental policy

Main long-term objectives of the Slovak government include the development of a social market economy characterised by competitiveness, high employment, social progress and high level of environmental protection. Protection of the environment is a decisive instrument for sustainable development, based on the integration of three interrelated and mutually supportive equal pillars – economic, social and environmental.

The sustainable development strategy of the EU represents the overall framework for the Lisbon strategy. Its objective is to support necessary structural changes that will enable the economies of Member States to create conditions for innovation and creative enterprise, while ensuring social equality and healthy environment.

Environmental strategy focuses on the investment in environmental infrastructure in the area of water management, air protection, waste management and nature and landscape protection in compliance with EU legislation, and on ensuring the fulfilment of international commitments of the Slovak Republic. The strategy is derived from the needs of the regions and aims at addressing the problem of environmental pollution and its sources by means of appropriate technologies, support for environmentally friendly waste management, risk prevention and nature and landscape protection.

Respect for the commitments of the Slovak Republic vis-à-vis the EU constitutes the starting point for the formulation of environmental priorities, i.e. continued and purposeful building of environmental infrastructure in the area of water management, air protection, waste management and nature conservation.

The state of environmental infrastructure is one of decisive factors of economic development and competitiveness of the economy. Incomplete environmental infrastructure causes problems in the elimination of regional disparities. The regions that lack adequate environmental infrastructure are considerably less competitive, and efforts at introducing economic activities in these areas often entail the need to make additional investment and/or provide state guarantees. Besides a lesser appeal of an area for carrying out business activities, incomplete environmental infrastructure also reduces its social appeal.

Enhancement of the environmental aspect of sustainable development creates the necessary conditions for the convergence of the Slovak Republic with the EU-15 average in the area of environmental infrastructure and protection. It is translated into the objective of promoting: (a) environmental upgrading, biodiversity, genus, species and ecosystem protection; (b) rational use of resources with the aim of supporting sustainable development; (c) completion of the construction and upgrading of environmental infrastructure as an important factor affecting the state of the environment and of its individual components.

Investment in environmental infrastructure generates direct private investment, which contributes to the growth of competitiveness and economic efficiency of the region. Support for environmental infrastructure also boosts economic development by introducing more stringent environmental standards, environment-friendly technologies and innovations, and by creating an adequate research and knowledge base.

For the above reasons, environmental strategy for the programming period of 2007 – 2013 has been geared towards meeting the commitments of the Slovak Republic laid down also in the EU Accession Treaty. At the same time, it will be necessary to ensure the fulfilment of Slovakia's obligations arising from international conventions in the area of air quality and prevention of climatic change, and in the area of biodiversity, nature and landscape protection. The strategy is intended to create conditions for the fulfilment of requirements set out in the EU environmental legislation and in pending legislative proposals (draft environmental directives and regulations) whose adoption is envisaged during the 2007

– 2013 programming period and that will make it necessary to allocate funds for their financially demanding implementation. The priorities are defined in a manner which enables the continuity of support from EC funds in the forthcoming programming period and of the building of environmental infrastructure, ensures the completion of works in progress, and ensures a better use of the existing capacities.

**Global objective:**

*Improve the environmental situation and rational use of resources through completing the building of and upgrading the environmental infrastructure of the Slovak Republic in conformity with EU and SR legislation, and strengthening the environmental component of sustainable development.*

The above goal will be attained by means of the following objectives:

1. **Integrated protection and rational use of waters**
2. **Flood protection**
3. **Air protection, protection of the Earth's ozone layer and minimising the adverse impact of climatic change, including support for renewable energy resources**
4. **Waste management**
5. **Protection and regeneration of the natural environment and landscape**

The attainment of the objectives will be secured through the implementation of measures that will be financed from EU funds, state budget funds, and from other public or private sources.

### **3.1.1 Integrated protection and rational use of waters**

*Reduce water pollution and improve the quality of life of the population of Slovakia through completing the building of and upgrading the infrastructure of water management of Slovakia in conformity with the EU and Slovak legislation*

**Measures:**

*1) Supply of drinking water to the population from public water mains*

The objective is to ensure the widest possible access of the population to drinking water, and to cover the territory with public water mains supplying drinking water of required quality and quantity; this will contribute to the development of the region in terms of the development of housing, services, industry, tourism, etc.

***Measurable indicators:***

- length of drinking water supply networks (excl. water mains connectors) in km
- the number of inhabitants with connection to public water mains

*2) Discharge and treatment of municipal waste waters in keeping with Slovakia's commitments vis-à-vis the EU*

The increase in the number of inhabitants living in houses connected to public sewerage systems and expanding the network of municipal waste water discharge and treatment services – i.e. essential environmental water management services in conformity with the commitments of Slovakia vis-à-vis the EU, will lead mainly to improvements in the status and protection of natural water resources and water ecosystems addressing environmental and water management interests in a comprehensive manner, and to improvements in the health condition of the population, which will ultimately have a positive impact on the development of regions and of the state.

***Measurable indicators:***

- the length of new sewerage networks (excl. sewerage connectors), in km
- the number of inhabitants with connection to the sewerage system
- the number of waste water treatment plants (WWTP hereinafter)
- the number of inhabitants connected to WWTPs
- the quantity of produced waste discharged to WWTPs
- the quantity of produced waste treated at WWTPs

***3) Ensure appropriate monitoring and assessment of the status of surface and ground waters***

The Slovak Republic has the obligation to present reports on the state of waters to the Commission. Monitoring of the status of surface and ground water is carried out on the basis of annual monitoring programmes. The established values represent the basis for the proposals of measures in river basin management plans.

***Measurable indicators:***

- the number of completed structures for ground water quality and quantity monitoring
- the number of completed structures for surface water quantity monitoring
- the number of collection points for surface water quality monitoring

### **3.1.2 Flood protection**

***Ensure a comprehensive flood protection of the territory of the Slovak Republic***

**Measures:**

***1) Implementation of the Flood Protection Programme of the SR till 2010***

The complex of flood protection measures designed to protect the territory of Slovakia from adverse effects of inundations. Improvements in the level of flood protection will create better conditions for economic and social development of regions endangered by and suffering from floods.

***Measurable indicators:***

- surface area protected from floods, in km<sup>2</sup>

***2) Build an early warning and flood forecast system***

To develop instruments that make it possible to more significantly reduce the damage caused by floods, especially the loss of human lives, damage to health and property of the citizens of Slovakia, by means of hydrological forecasts, early warnings and alerts.

***Measurable indicators:***

- surface area of territory protected from floods, in km<sup>2</sup>

### **3.1.3 Protection of air, of the Earth's ozone layer, and minimisation of adverse effects of climatic change, including support for renewable energy resources**

*Complete the building of infrastructure for the protection of air, the Earth's ozone layer in conformity with EU and Slovak legislation, minimising adverse effects of climatic change, including support for renewable energy resources*

**Measures:**

#### ***1) Air protection***

Transposition and implementation of EU legal acts, attainment of technical requirements for operation of installations aimed at limiting emissions of polluting substances – reducing emissions of basic and other air pollutants, in particular particulate pollutants, SO<sub>2</sub>, SO<sub>2</sub>, NO<sub>x</sub>, benzene, VOC, NH<sub>3</sub>, heavy metals and PAH.

***Measurable indicators:***

- the number of supported installations with new or modernised air-pollution reducing technologies
- reduction of emissions of pollutants calculated in tons of SO<sub>2</sub>, in %
- reduction of VOC emissions, in %
- the number of projects aimed at ecologisation of public transport in the areas with special air protection requirements

#### ***2) Protection of the ozone layer of the Earth***

Ensuring the control of air emissions of controlled substances from commercial and industrial air-conditioning and cooling equipment, fire protection systems and equipment containing solvents.

***Measurable indicators:***

- the number of projects supporting the introduction of systems for recycling, regeneration and destruction of substances depleting the ozone layer of the Earth
- designed quantity of destroyed substances depleting the ozone layer of the Earth, in kg
- designed quantity of regenerated substances depleting the ozone layer of the Earth, in kg
- designed quantity of recycled substances depleting the ozone layer of the Earth, in kg

#### ***3) Minimisation of adverse influences of climatic change, including support for renewable energy resources***

Reduction of emissions of greenhouse gases and basic pollutants, including through changes in the fuel base towards the use of renewable resources.

***Measurable indicators:***

- the number of supported projects for reducing greenhouse gas emissions and for changing the fuel base of energy resources for the production of heat and hot water in favour of renewable energy resources
- reducing greenhouse gas emissions, in %

### 3.1.4 Waste management

***Complete the building of the waste management infrastructure in the SR in conformity with EU and Slovak legislation, reducing and eliminating negative impact of environmental load and landfills on human health and ecosystems***

**Measures:**

***1) Support production technologies that minimise the creation of waste***

Replacement of outdated technologies with new ones will enable the reduction of the quantity of waste produced.

***Measurable indicators:***

- the number of modernised installations where outdated technologies have been replaced by technologies reducing the production of waste, which meet BAT requirements

***2) Support the activities in the area of separated waste collection***

Increase the share of separated waste in mixed municipal waste, thus diminishing the quantity of mixed municipal waste

***Measurable indicators:***

- the number of new or modernised facilities for separated waste collection
- the quantity of separated municipal waste in t/year

***3) Support waste recycling efforts***

Recycling of waste from industrial and agricultural production

***Measurable indicators:***

- the number of new or modernised facilities for waste recycling
- quantity of recycled waste, in t/year

***4) Handle hazardous waste in the environmentally friendly manner***

Improving the effectiveness of separated collection in the facilities treating waste from healthcare and veterinary facilities, ensuring environmentally friendly disposal of old pesticides in the territory of the Slovak Republic including POPs, using the best available technology (BAT) and/or best environmental practice (BEP).

***Measurable indicators:***

- the number of completed facilities for handling hazardous waste
- the share of hazardous waste disposed of in the framework of project implementation in total quantity of produced hazardous waste, in %
- the share of hazardous waste recycled in the framework of project implementation in total quantity of produced hazardous waste, in %

***5) Dealing with the problem of environmental burden including its elimination***

Adoption of the legal framework governing the issues related to environmental burden, its consistent inventory, building the information system and identification of priority requirements for their elimination, will create opportunities for capital investments, investment into the development of tourism, etc., thus promoting the economic growth in the Slovak Republic and contributing to the improvement of environmental quality of the regions.

***Measurable indicators:***

- the number of surveyed and monitored environmental burdens
- the number of eliminated environmental burdens
- information system on environmental burdens

***6) Closing and reclamation of landfills***

Activities connected with closing and reclamation of landfills will focus on the landfills that have been earmarked for closing and reclamation, but for which no specific-purpose financial reserve has been created in conformity with the waste legislation in force.

***Measurable indicators:***

- the number of closed and reclaimed landfills
- the area of reclaimed and recultivated land, in m<sup>2</sup>

### **3.1.5 Protection and regeneration of the natural environment and landscape**

***Complete the building of the nature protection infrastructure in the Slovak Republic in conformity with the EU and Slovak legislation***

**Measures:**

- 1) Ensure a favourable state of habitats and species by means of the development and implementation of programmes for protected areas (including NATURA 2000 areas), and programmes for safeguarding critically endangered species of plants, animals and territories, including the monitoring of species and habitats***

The development and implementation of programmes for safeguarding parts of nature and landscape subject to specific protection, and protected area conservation programmes in harmony with international commitments. Attainment and maintenance of a favourable status of species and habitats of European significance, especially through the NATURA 2000 system.

***Measurable indicators:***

- the number of protection documents prepared (programmes for conservation of protected areas, programmes for safeguarding protected plant and animal species, and programmes for the protection of endangered protected areas)
- the number of implemented protection documents
- the share of protected areas for which a protection or a safeguard programme has been prepared, in %
- the share of protected areas for which a protection or a safeguard programme has been implemented, in %

***2) Improve the protection of nature and landscape by building and developing nature and landscape protection facilities***

Strengthen the infrastructure for nature and landscape protection (buildings and establishments, information centres, science trails and science localities, including access to caves, technical infrastructure) will contribute to the development of tourism.

***Measurable indicators:***

- the number of completed or reconstructed facilities for nature and landscape protection purposes
- the share of protected areas for which facilities have been built or reconstructed in the total number of protected areas, in %

***3) Improve the information and environmental awareness of the public, incl. through cooperation and communication with stakeholders***

Enhancement of environmental awareness of the population and support from owners and users of land plots will reduce the contradictions between the interests of nature protection and the economic use of the territory.

***Measurable indicators:***

- preparing and issuing publications on the protection of nature and landscape with a view to increasing the environmental awareness of the public
- organisation of professional events (conferences, seminars) for owners and users of land plots

## Annex

### Measures envisaged by the Slovak Republic under the National Reform Programme for 2007 and 2008

IU	Main objective of the guideline	Priorities (EC recommendations)	Measures envisaged by the Slovak Republic in 2007 – 2008	Timetable	Sources of financing
7.	Increase and improve R&D investment, especially in private business	Develop and strengthen and/or create new excellence centres in training and research institutions; enhance the cooperation and technology transfer between public research institutes and private companies	Formulate a new state programme for upgrading the research and development infrastructure with emphasis on developing the technical infrastructure of research and development, and on promoting human resources in R&D	2007	Not needed
		Create an adequate pool of qualified researchers	Provide financial support for establishing and running the networks of technology transfer and research/training centres through the intermediary of which young researchers, doctoral students and post-doctoral fellows will participate in research and development projects carried out under the state infrastructure development programme and the programmes of the Slovak Research and Development Agency	2008	State budget and business sources
8.	Promote all forms of innovation	Improve services for promoting innovation, in particular its spread and technology transfer	Establish an Innovation Promotion and Development Agency with a network of regional offices aimed at providing comprehensive services in the area of innovation to entities active in this field, mainly SMEs	2007	State budget, Community programmes CIP and the 7th FP, private sources 50 – 66%
			Support the creation of innovation clusters in the framework of public-private partnerships	2007 – 2008	State budget, structural funds, Community programmes CIP and the 7th FP, private sources 30 – 70%
		Support international transfer of knowledge including FDIs	Adopt a law on investment aid which will create more advantageous conditions for investors offering a higher value added in high-tech sectors, in the area of technology centres and strategic services	2007 – 2008	State budget, structural funds, Community programmes CIP and the 7th FP, private sources 30 – 70%
		Promote public procurement of innovative products and services	Amend Public Procurement Act No. 25/2006 Coll. by incorporating the obligation of public procurement of innovative products and services	2007	
		Improve access to domestic and foreign financing	Create the scheme of direct support for innovation efforts financed from public funds in the form of co-financing innovation projects carried out in the framework of innovation programmes	2007 – 2008	State budget, structural funds, Community programmes CIP and the 7th FP, private sources 30 – 70%

IU	Main objective of the guideline	Priorities (EC recommendations)	Measures envisaged by the Slovak Republic in 2007 – 2008	Timetable	Sources of financing
9.	Foster the spread and effective use of ICTs and build a fully accessible information society for all	Promote the spread of the use of ICTs in public services, small and medium enterprises, and in households	Unique identifier for communication between public administration information systems	2008	State budget, SKK 60.5 million
			Creation of the national information structure and its use by the business sector and general public all over Slovakia	the project is to be completed by 30 June 2007 and the system is to be made operational and running by 31 December 2008	270 million from EU public budget funds, 30 million from state budget chapters of the Slovak Republic
			Expand the use of electronic signature in public administration institutions	February 2007	State budget
			Free information access to the cadastre	2007	State budget, SKK 42 million
			Road Map for introducing electronic services in public administration	2007	State budget, SKK 12 million
			Project of internetisation of public libraries, Stage II	2007	From EU public budget funds, 90 million, State budget, 9 million
			Drawing up the legislation – the law on electronic public administration	2008	State budget
			"Digitálne štúrovstvo na školách"	2007, 2008	State budget
			European Computer Driving Licence for public administration	2007, 2008	ESF
			Development and implementation of eHealth applications	2008	State budget, structural funds
10.	Strengthen competitive advantages of the industrial base of the country	Identify value-added and competitiveness factors in key industries, and respond to globalisation challenges	In the framework of using structural funds, to channel their flow into supporting an increase in the ratio of value added to material and energy consumption, and the ratio of value added to total wages paid	2007 – 2008	State budget, structural funds, private sources 30 – 70%
			Create favourable conditions for tourist and hotel industries as areas of public interest, with emphasis on enhancing their development and increasing their importance for the generation of gross domestic product	2007 – 2008	State budget – promotion of tourism in the amount of SKK 1.1 billion in 2007, structural funds, private sources
		Develop new technologies and markets	Support the development of new technologies mainly with focus on product and process innovation aimed at maximising competitiveness through increasing the ratio of value added to material and energy consumption, and the ratio of value added to total wages paid	2007 – 2008	State budget, structural funds, private sources 30 – 70%
11.	Support sustainable use of resources and	Develop entrepreneurship in the area of renewable energy resources	Development of entrepreneurship in the area of renewable energy resources	2007 – 2008	State budget, structural funds, private sources

IU	Main objective of the guideline	Priorities (EC recommendations)	Measures envisaged by the Slovak Republic in 2007 – 2008	Timetable	Sources of financing		
	strengthen synergy between environmental protection and growth		Increase energy efficiency on the side of production and consumption and introduce progressive technologies in the energy sector, change the fuel base of energy resources with emphasis on low emission and renewable resources, on the use of renewable resources both in private companies and in public services, information of the public.	2007 – 2008	State budget, structural funds, private sources		
			Draw up an energy efficiency concept	2007			
			Draw up an energy efficiency law	2007 – 2008			
			Prepare a National Energy Efficiency Action Plan	2007			
	Integrated protection and rational use of waters		Supply of drinking water from public water mains to the population		EU resources, state budget, other public resources, private sources		
			Discharge and treatment of municipal waste waters in line with Slovak Republic's commitments vis-à-vis the EU	continuously	EU resources, state budget, other public resources, private sources		
	Flood protection		Ensure appropriate monitoring and assessment of the state of surface and ground waters		EU resources, state budget, other public resources, private sources		
			Implementation of the Flood Protection Programme of the SR till 2010		EU resources, state budget, other public resources, private sources		
			Build an early warning and flood forecast system	Full coverage of the territory of the Slovak Republic by 2015	EU resources, state budget, other public resources, private sources		
			Continue the fight against climatic change		Protection of the ozone layer of the Earth		EU resources, state budget, other public resources, private sources
					Mitigation of adverse effects of climatic change, including support for renewable energy resources		EU resources, state budget, other public resources, private sources
			Waste management		Support for technologies minimising the creation of waste in the production, activities in the area of separated waste collection and recycling, handling hazardous waste in an environmentally friendly manner, and closing and recultivation of landfills		EU resources, state budget, other public resources, private sources
Dealing with the problem of environmental burden including its elimination		EU resources, state budget, other public resources, private sources					

IU	Main objective of the guideline	Priorities (EC recommendations)	Measures envisaged by the Slovak Republic in 2007 – 2008	Timetable	Sources of financing
		Protection and regeneration of the natural environment and landscape	Ensure a favourable state of habitats and species by means of working out and implementing programmes of conservation of protected areas (including NATURA 2000 areas) and programmes for safeguarding critically endangered species of plants, animals and territories, including the monitoring of species and habitats		
			Improve the infrastructure of nature and landscape protection by means of building and developing nature and landscape protection facilities		
			Improving the information and environmental awareness of the public including cooperation and communication with stakeholders		
12.	Expand and deepen the internal market	Speed up the transposition of internal market directives	Involve the business community in the legislative process	2007 – 2008	
			Prepare an advance legal analysis of the impact of the service directive on the current legislation of the Slovak Republic	2007	
			Review legislative procedures with a view to reducing the time horizon for implementation	2007 – 2008	
		Stricter and better enforcement of the internal market legislation	Use of all technical and institutional instruments of the EU to achieve a more effective transposition of directives to the national legislation	2007 – 2008	
		Eliminate remaining barriers to cross-border activities	Make an effort at involving relevant institutions of the Slovak Republic into the IMI project – the Internal Market Information System	2007	
			Remove unnecessary and unjustified obstacles to issuing business authorisations and to the recognition of professional qualifications, and gradually introduce the possibility of more effective electronic communication	2007 – 2008	
13.	Secure open and competitive markets in Europe and outside Europe, benefit from the advantages of globalisation	Eliminate regulatory, trade and other barriers that excessively hinder competition	Promote the interests of the business sphere related to access to third-country markets, remove non-tariff obstacles to trade in the framework of multilateral talks within the World Trade Organisation, and promote bilateral and regional cooperation by means of drawing up preferential trade agreements	2007 – 2008	
			Formulate the pro-export policy of the Slovak Republic for 2006 – 2010	2007	
		More effective enforcement of competition policy	Improve the formulation of policies and preparation of regulatory standards through making conscious and well-conceived efforts at better regulation.	2007 – 2008	
			Amend the energy-related legislation, in particular prepare a draft amendment to Act No. 276/2001 Coll. on Regulation in Network Industries as amended, and amendment to Energy Act No. 656/2004 Coll.	2007 – 2008	

IU	Main objective of the guideline	Priorities (EC recommendations)	Measures envisaged by the Slovak Republic in 2007 – 2008	Timetable	Sources of financing
		Reduce state aid that distorts competition	Draft a law on investment aid and the investment aid scheme aimed at preventing the distortion of competition	2007	State budget – investment incentives at the amount of SKK 2.3 billion
14.	Create a competitive business environment and support private initiative through better regulation	Reduce administrative barriers affecting businesses	Prepare the assessment of administrative barriers to business on the basis of selected laws: Part 1: List of selected legal acts that have the biggest impact on the business environment and their characteristics	2007	State budget
			Part 2: Assessment and estimation of impact on the business environment		
			Train civil servants in the methodology of assessing regulatory impact on the business environment	2007	Financed from ESF funds and under a UK Embassy project
			Ensure the creation of one-stop shops with a view to significantly facilitating the fulfilment of the complete array of registration and pre-registration obligations of entrepreneurs, with emphasis on using the benefits of electronic communication.	2007	State budget
			Develop a uniform integrated form for the purpose of starting up and doing business	2007	State budget
		Improve the quality of the existing and new regulatory measures	Regulate the process of regulatory impact assessment. Introduce the possibility of discussing legislative proposals and their various alternatives from the very outset of their formulation, and enact the obligation of the drafters of proposals to estimate their costs and benefits.	2007	State budget
			Adopt the concept of RIA (BIA) and implement it with sufficient effectiveness and with necessary technological, legislative and personnel support	2007 – 2008	State budget
			Ensure that the business impact assessment (BIA) be carried out in accordance with the "Draft Uniform Methodology for Preparing and Assessing the Clause of Financial, Economic and Environmental Impact, Impact on Employment and the Business Environment in the section relating to the impact on economic activities of the business sector including business and employment impact" to be submitted to the Government by 12/2006	2007	State budget
		Effective enforcement of laws	Complete the building of the new system of court organisation, administration and management in conformity with draft amendment of Act No. 757/2004 Coll. and 757/2004 Coll.	2007	State budget
			Evaluation of experience relating to the practical introduction and functioning of the case management system and adoption of corrective measure as appropriate	2007 – 2008	State budget / Structural funds

IU	Main objective of the guideline	Priorities (EC recommendations)	Measures envisaged by the Slovak Republic in 2007 – 2008	Timetable	Sources of financing
			Extension of the project of effective exchange of information between law enforcement agencies – the “LEA” (Law Enforcement Agencies) project	2007 – 2008	State budget / Structural funds
			Creation of necessary preconditions for using new procedures of making records of hearings (audio/video) in civil matters, and records (video) in criminal matters; analysis and evaluation of findings on making records (audio) of criminal matters, and introduction of corrections as appropriate	2007 – 2008	State budget / Structural funds
			Ensure effective implementation of Bankruptcy and Restructuring Act No. 7/2005 Coll.	III Q 2007	State budget / Structural funds
			Introduce electronic proceedings at the Commercial Register	August 2007	State budget / Structural funds
			Prepare the preconditions for electronic filing under the Code of Civil Procedure	2007	State budget / Structural funds
			Enable transnational mergers and fusions of capital companies and incorporation of other amendments with a view to improving the business environment by means of amended Commercial Code and the law on commercial register.	2007	State budget / Structural funds
			Create electronic archives for the records of hearings on criminal and civil matters	2007	State budget / Structural funds
			Increase IT security – creation of preconditions and information security for key applications and services of the sector, and services for business entities and general public.	2007/2008	State budget / Structural funds
			Build an information system covering the entire legislative flow, from drawing up a legislative proposal up to its final approval.	2007	State budget / Structural funds
15.	Promote a better entrepreneurial culture and create an “understanding” environment for small and medium-sized businesses	Improve access of companies to funding	Establish three new venture capital funds: a) Seed Capital Fund (‘Seed Fund’) b) Start-up Capital Fund (‘Start-up Fund’) c) Development Fund, and adopt a programme for the provision of training services in the business development field using venture capital	These schemes have been notified and are expected to take effect from 1 January 2007	
		Strengthen the innovation potential of SMEs	Organise seminars and meetings with the aim of informing the companies about the need to focus on innovations and the “living labs”, which are instrumental for improving the competitiveness and for addressing the issue of financing innovative projects carried out under innovation programmes.	2007	State budget, structural funds, private sources
16.	Expand and interconnect the European	Concerning the resources, adequate conditions are to be created for	Support TEN-E studies (coverage of 50 % of eligible costs) and projects identified in the decision and guidelines related to TEN-E	2007 – 2008	Structural funds, EU budget, own resources of company

IU	Main objective of the guideline	Priorities (EC recommendations)	Measures envisaged by the Slovak Republic in 2007 – 2008	Timetable	Sources of financing
	infrastructure and complete priority cross-border projects with the specific objective of achieving a higher integration of national markets in wider Europe	effective transport, energy and ICT infrastructure (priority is given to TEN projects)			SEPS a.s.