

Ministry of Finance of the Slovak Republic



National Reform Programme of the Slovak Republic 2023

April 2023

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Summary

The National Reform Programme of the Slovak Republic 2023 (NRP) describes the reform efforts of the Government of the Slovak Republic (SR) in key structural areas. It aims to provide a comprehensive overview of the measures implemented and planned by the SR to respond to the Council of the EU's specific recommendations for Slovakia, regardless of whether these measures are implemented through EU cohesion policy, the Recovery and Resilience Plan of the Slovak Republic (RRP) or from the state budget. In this context, it should be noted that the planned update of the RRP¹, which is expected to be submitted to the Slovak Government in the near future, will also have an impact on the measures included in the NRP if approved. Given the timing of the preparation of the NRP, any approved changes to the RRP will only be taken into account when the material is prepared again in 2024. At EU level, the NRP is a key part of the European Semester cycle, in which it is presented to the Council of EU and the European Commission² and plays a central role in facilitating collective monitoring and multilateral debate on policy challenges and how to address them. The NRP also serves as a tool to communicate the implementation of the 2030 Agenda for Sustainable Development and the European Pillar of Social Rights.

When planning and implementing reforms, it is necessary to base them on an analysis of the current state of the country in the most important areas of development and relate them to the major structural challenges the Slovak Republic is facing. Allocative efficiency, the labour market and education have been identified as the three main areas of lagging behind in terms of economic convergence. In addition to sustained higher GDP growth, the state must also pursue the objective of improving the quality of life of the population. In this sphere, the biggest challenges are housing, health and again education.

The government's priority is to return to sound public finances while respecting European and national budgetary rules. The long-term sustainability of Slovakia's public finances, also burdened by the high future costs of an ageing population, has deteriorated during the COVID-19 pandemic. The ongoing war in Ukraine and the related need for the government to respond to the energy crisis are a new challenge for public finances and their sustainability. The Slovak Republic is currently one of the EU countries with deteriorating long-term sustainability. This undesirable situation is partly offset by changes in the pension system. A key measure of pension reform is to re-link the retirement age to the increase in life expectancy. The same objective is pursued by the public finance management reform aimed at implementing multiannual limits on public spending. The public expenditure limits were set for the 2023-2025 budget, but the obligation to meet them has been postponed to 2024 due to the linking of the escape clause to European fiscal rules. At the same time, the quality of public finances has been strengthened by the implementation of changes aimed at prioritising investments and their continuous monitoring.

The performance of the Slovak education system continues to lag behind the European Union average at several levels. Children in primary schools need to develop skills needed for the 21st century. The gradual transition to a new curriculum is therefore continuing, which will enable children to develop their critical and creative thinking and digital skills to a greater extent. The reform is also intended to strengthen the quality of teaching staff skills, including training them for the new curriculum. The lack of inclusion in pre-primary education is reflected in the frequent rejection of applications for placement in kindergartens, as well as low proportion of disadvantaged children attending kindergartens. One of the prerequisites for increasing inclusion is the introduction of a legal entitlement to a place in a kindergarten for children from the age of four

¹ Draft amendment to the Recovery and Resilience Plan of the Slovak Republic submitted to the MPK.

² [Council Regulation \(EC\) No 1466/97](#), [Regulation \(EU\) No 1175/2011 of the European Parliament and of the Council](#) and [Regulation \(EU\) 2021/241 of the European Parliament and of the Council](#).

and subsequently from the age of three. The legal entitlement will also help to coordinate work and family life and promote parental employment. Another inclusive measure is a change in the approach to children with special educational needs across the whole education system. A high proportion of domestic students choose to study abroad and subsequently start their working lives outside of Slovakia. Reform efforts are therefore also focused on improving the performance of universities and supporting their ability to attract and retain talent. Adjusting the methodology for grant allocation by introducing performance agreements will support profiling and diversification of universities based on their specific strengths and development potential. At the same time, research assessments were carried out in 20 public universities in 2022 and departments with top performance in science and artistic subjects were identified, which will enable targeted support for their further development

The introduction of innovations and the successful management of digital transition are key factors in terms of productivity growth of the Slovak economy. Slovakia remains at the tail end of the EU in terms of research and innovation performance, not only in private R&D spending, but also in most of the indicators measuring the innovation ecosystem in the European Innovation Scoreboard. Reform efforts over the past year have focused on setting the basic frameworks for an effective R&D policy. Research and innovation was defined as a key cross-cutting theme with a single cross-ministerial owner and coordinator in the form of the Government Office. The National Strategy for Research, Development and Innovation has been approved as an umbrella document for this area. Public policies in the near term will therefore mainly focus on the unification and streamlining of processes across agencies, a plan for the functional defragmentation of the support ecosystem and the implementation of other measures resulting from this national strategy. The elimination of fragmentation and lack of conceptual clarity in the management of research and innovation policy aims at increasing the efficiency of all public investment in research and innovation, while at the same time increasing the demand for projects for co-financing by the private sector. Steps to promote digitisation will aim to increase the use of the state's e-services by improving their quality, developing cybersecurity or streamlining the procurement of state IT through the introduction of a central platform.

Despite the resilience of the labour market in the face of the persistent crises of recent years, it has not been possible to bring the employment rate of the population back to its pre-crisis trajectory. In particular, the employment rate of people with low education (including the MRC) and mothers is lagging behind. Employment growth has largely been driven by a wave of employment of people fleeing the war in Ukraine, who are taking up harder-to-fill jobs. Sustaining current employment levels will require activating untapped labour potential. Demographic pressures, coupled with persistent brain drain and low participation of selected population groups, will mean that unemployment will no longer be Slovakia's main problem, but rather labour shortages. In order to increase the inflow of skilled labour, the implementation of the reforms from the RRP, which aim to reduce barriers to residence and access to the labour market for skilled foreign workers, is being pursued. Simplifying the recognition of education and professional qualifications will increase the attractiveness of the Slovak labour market in shortage occupations. The amendment to the Employment Services Act aims to align the lifelong learning system with the needs of the labour market. To this end, the Alliance of Sector Councils will monitor and communicate labour market trends to the ministries. The introduction of a new allowance to support the retraining of jobseekers will encourage investment in skills in demand on the labour market. In the area of housing policy, the supply of affordable housing remains at the tail end of OECD countries. A number of measures have been implemented to increase housing affordability in Slovakia, such as streamlining and speeding up construction processes.

The resource efficiency in the economy is largely determined by the quality of institutions in general (the so-called "rules of the game"). Slovakia is still characterised by lower enforceability of property rights,

relatively high regulatory barriers for entrepreneurs, inefficiency of the public sector, and, above all, low trust in public institutions. For this reason, one of the objectives of the reform of the judicial map and the related specialisation of judges is to speed up and increase the disposal rate of court proceedings. Streamlining the state's criminal policy has the ambition to introduce greater use of modern European criminal law instruments, which emphasise restorative justice and alternative sentencing. Digitalization and unification of insolvency processes will reduce administrative barriers to business. The adoption of further anti-bureaucratic packages or the simplification of the environmental impact assessment process will also help to reduce the regulatory burden on business. The amendment to the land regulations aims to tighten measures against fragmentation of land ownership. The establishment of shared service centres is intended to improve the performance and strengthen the administrative capacity of public administration at local level.

Similarly to developed countries, health spending is growing significantly more than the Slovak economy. However, the performance of the Slovak health system is still lagging behind Western European health systems as well as neighbouring Central European countries. EU countries face urgent challenges to urgently reduce dependence on Russian fossil fuels, accelerate the green transition, and at the same time increase the resilience and security of the energy system across the EU. That is why the EC has presented the REPowerEU roadmap, which responds directly to these challenges. Under REPowerEU, Slovakia will focus on increasing energy efficiency and accelerating the transition to renewables by investing in strengthening the electricity grid as well as by simplifying and speeding up permitting processes. The new climate law should bring clarity to the legal climate framework and significantly increase the potential to achieve ambitious climate targets. In response to the long-standing problem of air pollution, the Air Protection Act introduces stricter pollution control and allows for a localised approach to air quality management. Improving landscape water management has the potential to mitigate drought and help restore ecosystems and biodiversity. Investments in increasing the share of environmentally friendly forms of transport support the transition towards sustainable transport, but the extraordinary increase in construction costs and lengthy project preparation put railways at risk of meeting the objectives set in the RRP. Long-term support for alternative propulsion systems by introducing support policies, as well as direct support for building the necessary infrastructure, will significantly contribute to the reduction of CO₂ in transport and the improvement of air quality.

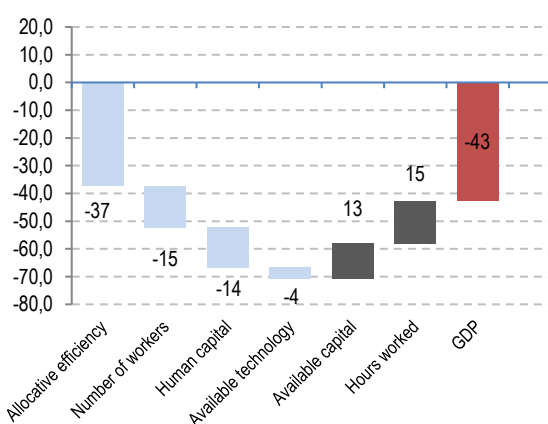
1 Challenges of the Slovak economy

The chapter identifies the biggest economic and social challenges facing Slovakia. The challenges described in this section reflect national priorities with regard to the adopted EU Council's specific recommendations for Slovakia (CSR), the principles of the European Pillar of Social Rights (EPSR) and the implementation of the 2030 Agenda.

1.1 National priorities

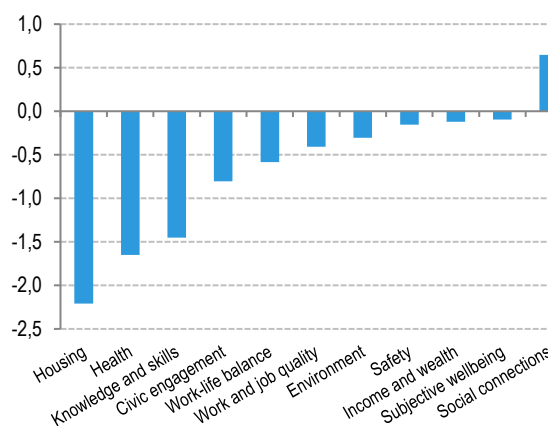
Declaring the current state of the country's progress in the context of the biggest structural challenges is a key starting point for a successful description of the reform effort. In planning and implementing reforms, it is necessary to start from an analysis of the current state in the most crucial areas of development and to put them in the context of the biggest structural challenges facing the Slovak Republic (SR). To this end, the Reform Compass of the Slovak Economy project³ was introduced in the summer of 2022, providing a comprehensive view of the challenges both from an economic perspective and from the perspective of the quality of life of the population.

Chart 1: Sources of Slovak economic underperformance relative to Germany (German GDP per capita = 100)⁴



Source: IFP calculation

Chart 2: International comparison of Slovakia's quality of life⁵ (standard deviation from OECD average)



Source: OECD, IFP calculation

Allocative efficiency, the labour market and education were identified as the three main areas of lagging behind in terms of economic convergence. It is clear that the most important source of further economic growth lies in people's ability to develop and increase the value of their knowledge and skills effectively and to respond flexibly to changing labour market needs. Catching up with the identified gaps is therefore conditional on adopting public policies that create an environment where it is possible for them to do so.

Allocative efficiency describes how successfully we utilise people, machines and equipment for those activities in which they are most productive. This is where we identify the greatest source of underperformance. In practice, it means that existing resources of labour and capital (whether human or physical) are not being used in places where they can add the most value and hence reap reward in the form of wages or profits. Efficiency in the use of resources depends in particular on the existence of quality public

³ [Reform compass of the Slovak economy](#).

⁴ The above charts were part of the Reform Compass publication. Given the recent publication of the document and the frequency of publication of new data, the identification of challenges will be updated every two years. The last update took place in 2022 based on the latest available data.

⁵ The left axis shows the standard deviations from the average of the European OECD countries for each domain of quality of life (the columns represent the average of the indicators in the domain).

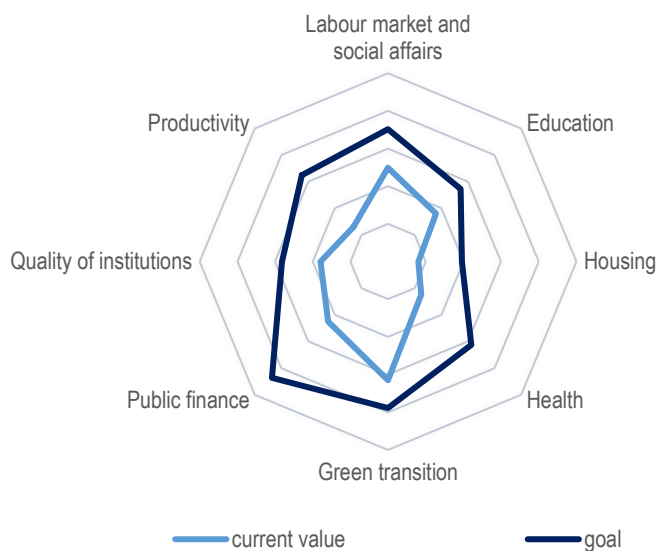
institutions that are trusted by the population. In Slovakia, low trust in public institutions, low enforceability of property rights and high regulatory barriers for entrepreneurs are among the biggest obstacles to development.

Compared to Germany, Slovakia has a lower share of workers on the total population. In particular, high long-term unemployment rate remains a challenge, as well as poor labour market performance of people from the MRC, low share of working mothers with young children and of people aged 60 to 69. Further development and effective valorisation of human capital is conditional on the existence of a high quality accessible education system that meets the requirements of the labour market. The education system is characterised by a low level of inclusion, low attractiveness of universities and a rigid lifelong learning system.

In addition to sustained higher GDP growth, the state must also pursue the goal of improving the quality of life of its citizens. In this area, the biggest challenges are housing, health and as with economic growth, education. Challenges in education are also largely related to other areas. It is a universal public good that spreads across almost all spheres of social and economic life. Compared to other economic policies, it has higher long-term returns and is essential for innovation.

Along with identifying challenges, it is equally important to set clear objectives and follow a trajectory to meet them. To this end, targets⁶ have been set for the TOP 30 indicators⁷ in eight areas. The individual areas represent the biggest challenges in terms of economic growth, quality of life, but also in terms of megatrends such as demographic change (hence the fiscal sustainability indicators) or green and digital transition. An aggregated view of the identified challenges is provided by the Reform Compass in Chart 3, which summarises the distance of the current situation from the set targets in the outcome indicators covering all eight areas on an annual basis.

Chart 3: Reform Compass: Distance to 2030 targets and best performance by area⁸



Source: IFP calculations

⁶ The full methodology for setting targets is in Annex 1.

⁷ An overview of the 30 indicators, together with their long-term trend, can be found in Annex 1.

⁸ The indicators that make up the compass are updated to show progress towards the targets, so the chart is updated with the latest available values compared to the original document. Targets and the latest available indicator value are normalized as a proportion of the distance of the value/target from the minimum value and the difference between the minimum and maximum values, and then averaged over the area. The edges of the graph represent the European countries with the best results in each area.

The main message of the Compass remains that intensive reform efforts are still needed in all eight areas to achieve the targets. The focus therefore needs to be on the proper implementation of the actions from the ambitious RRP, which has the potential to positively impact all identified priority areas. The delays in the implementation of some of the RRP actions regarding health and education deserve particular attention, as these two areas have been identified as the biggest challenges to the quality of life of citizens⁹. Equally important in terms of meeting the objectives will also be the efficient absorption of financial resources (almost EUR 13 billion) and the implementation of investments under the EU Cohesion Policy for the period 2021-2027.

Slovakia is the closest to achieving the green transition targets. Progress is particularly visible in the reduction of greenhouse gas emissions, although the recent decline may be partly due to the slowdown in industrial activity and transport during the COVID-19 pandemic. However, the energy crisis triggered by the armed conflict in Ukraine has highlighted the urgency of further challenges in this area, which need to be addressed through reform measures. In line with the EC's new REPowerEU¹⁰ plan, the focus should be on diversifying energy sources to reduce dependence on fossil fuels and accelerating the transition to renewables.

In contrast, we are the furthest away from achieving the targets in the area of long-term sustainability of public finances. In particular, high future costs due to ageing and insufficient consolidation contribute to the unfavourable results. However, long-term sustainability of public finances also needs to be seen in the context of worse-than-expected economic developments due to the armed conflict in Ukraine, the unprecedented rise in energy prices coupled with an extreme increase in inflation rates with associated social consequences, and the lingering effect of the COVID-19 pandemic. The fiscal response requires targeted measures to mitigate the effect of rising energy prices and inflationary pressures on households and businesses. The effect of these measures is only temporary and the government needs to continue improving public finance sustainability in the longer term, particularly in view of the impact of adverse demographic changes.

1.2 CSRs implementation

The CSRs for Slovakia for 2022 recommend focusing in particular on prudent fiscal policy in the context of the current crisis and accelerating the green transition. Public spending growth related to compensation of high energy prices and aid for people fleeing Ukraine should follow overall neutral policy intentions. This recommendation is particularly relevant for Slovakia given the identified shortcomings in the long-term sustainability of public finances also at the national level. The introduction of limits on public spending and the implementation of the pension reform have been important steps towards improving long-term sustainability. The adoption of an amendment to the constitutional law on budgetary responsibility will also be essential. However, the recommendation also pursues the achievement of prudent medium-term fiscal positions, where reform efforts need to be strengthened.

Although we are closest to achieving the green transition targets set by our methodology, the current energy crisis has highlighted further structural challenges in this area. A key recommendation is to reduce dependence on fossil fuels, in particular natural gas in the heating and industrial sectors. To address this challenge, it is important to accelerate the transition to renewable energy sources and modernise the electricity and heat supply systems. The necessary expenditures to accelerate the green transition could be covered by streamlining the tax mix, in particular by harnessing the potential of environmental and property

⁹ In both areas, the Compass identifies modest improvements, but it is important to note the unavailability of up-to-date data that sufficiently reflects the effect of the pandemic and the energy crisis.

¹⁰ [More information about REPowerEU.](#)

taxes. Legislative changes were adopted in 2022 to reform the electricity market as well as to encourage investment in renewables in the transport, electricity and heating sectors. Reducing dependence on fossil fuels is addressed by the adopted industrial decarbonisation scheme. The adoption of the Law on Climate Change and Low Carbon Transformation of the Slovak Republic will also be an important step.

1.3 Delivering on the 2030 Agenda for Sustainable Development

Slovakia has dropped from 18th to 21st position out of the 34 countries monitored in terms of achieving the 2030 Agenda goals compared to last year¹¹. In the broader UN ranking of countries, Slovakia ranked 24th out of 163 countries¹², while in 2021 it was 19th in the ranking¹³. The SDGs complement the identified national challenges by highlighting the environmental and social sustainability of further development. Two-thirds of the indicators selected for national monitoring of progress from the first section of the chapter are also included in the Sustainable Growth Indicators. Further pursuit of the SDGs is therefore complementary to the ambition to achieve the targets set at the national level. Slovakia has so far achieved only one target, namely Reducing Inequality. There has been a slight improvement in most of the goals, but at the same time significant or major challenges remain. Intensive efforts are directed towards achieving the Industry, Innovation and Infrastructure goal, while the No Hunger¹⁴ goal, where there has been a deterioration in 2022, is only minimally addressed by reforms.

Chart 4: Agenda 2030: 17 Sustainable Development Goals and Slovakia's progress



Legend: ↑ on trajectory or maintaining SDG achievement, ↗ Moderately improving, → Stagnating, ↓ Decreasing

● SDG achieved ● Challenges remain ● Significant challenges ● Major challenges ● Information unavailable

Source: European Sustainable Development Report 2022

¹¹ [European Sustainable Development Report 2022](#).

¹² [Sustainable Development Report 2022](#).

¹³ In 2021, 165 countries were assessed.

¹⁴ The aim is to end hunger, achieve food security and better nutrition and promote sustainable agriculture.

The 2030 Agenda, adopted by UN Member States, represents a coordinated global effort to monitor socio-economic development with regard to long-term sustainability. The Agenda defines 17 areas of sustainable development and 169 measurable goals, with an emphasis on the equitable distribution of economic prosperity, including for future generations. Slovakia acceded to the implementation of the 2030 Agenda in March 2016¹⁵.

According to the European Sustainable Development Report 2022¹⁶, overall progress towards the SDGs was already slow before the pandemic and has stalled since 2020. The war in Ukraine and its aftermath are also likely to reverse the progress made so far. The EU will have the opportunity to renew its strong commitment to the SDGs at the UN Summit in September 2023.

1.4 Meeting the objectives of the European Pillar of Social Rights¹⁷

The biggest challenge for Slovakia under the EPSR remains provision of adequate education and skills strengthening. The problem arises already in pre-schools, with only Greece among the EU countries performing worse in terms of participation in pre-primary education for children from the age of three¹⁸. Yet quality pre-primary education is key to children's participation in further education and their development. Particular emphasis should be placed on strengthening the participation of children from socially disadvantaged backgrounds¹⁹. Weaknesses in the education system are consequently also translated into underperformance in labour market indicators, especially long-term and youth unemployment. Educational outcomes have improved slightly year-on-year. This trend will need to be sustained for the results to be reflected in the labour market.

Adult lifelong learning is also a specific challenge, where we are ranked 25th out of 27 EU countries. At the same time, lifelong learning is an essential tool for mitigating the negative effects of automation, which threatens the most jobs in Slovakia out of the OECD countries. Functional adult learning is also important in the context of demographic change, which will significantly affect Slovakia. A prerequisite for improving the long-term sustainability of public finances, and more specifically of the pay-as-you-go pension system, is the extension of working careers, closely linked to the re-linking of the increase in retirement age to the increase in life expectancy. The positive effect of this measure will only be fully realised if workers remain employable and productive in old age.

On the contrary, compared to the EU average, Slovakia has low income inequality and low values of some of the poverty indicators. These are indicators that take into account income comparisons against the national poverty line²⁰ and both are thus affected by the level of income inequality among low-income groups²¹. At the same time, however, some groups, such as people from MRC backgrounds, children from socially disadvantaged backgrounds, single parents with children and people with disabilities face a significantly higher risk of poverty and social exclusion than the rest of the population²² and may not be sufficiently captured in statistical surveys.

¹⁵ [More information on the 2030 Agenda.](#)

¹⁶ [European Sustainable Development Report 2022.](#)

¹⁷ The purpose of the EPSR is to strengthen the enforcement of EU citizens' rights under three headings: i) equal opportunities and access to the labour market, ii) fair working conditions, and iii) social protection and inclusion, which are subsequently defined more specifically in 20 basic principles (table below). The foundations for the EPSP were laid at the Bratislava Summit during the Slovak Presidency of the Council of the EU

¹⁸ Supplementary indicator not presented in Table 1, values are given in Annex 1 and also in Chapter 3.2 - Education.




¹⁹ These are recurring recommendations both within the CSRs for Slovakia and the OECD - see e.g. CSR2 from 2019 or key recommendations within the [OECD \(2022\): Economic Survey of Slovakia](#)

²⁰ The poverty line is set at 60 % of the median national equalised disposable income.

²¹ The rate of workers at risk of poverty takes the relative concept fully into account, while the rate of workers at risk of poverty or social exclusion is a cross-sectional indicator that also takes into account severe material and social deprivation and very low work intensity.

²² [Review of spending on groups at risk of poverty or social exclusion 2020.](#)

Table 1: European Pillar of Social Rights - selected indicators²³, year 2021

Chapter	Indicator	SK	EU27	Position	Trend	
					ST	LT
Equal opportunities and access to the labour market 	Early leavers from education or training (%)	7,8	9,7	13	↘	↘
	Gender employment gap (p.p.)	8,5	10,8	15	↗	↘
	Income inequality (S80/S20 share)	3,0*	5,0*	1	↗	↗
	Adult participation in learning²⁴ (%)	4,8	10,8	25	↘	↗
	Tertiary education attainment (%)	40,2	41,6	20	↗	↗
	Individuals who have basic or above basic overall digital skills (%)	55,2	53,9	15	↗	↗
	Young people neither in employment nor in education and training (NEET) (%)	14,2	13,1	21	↗	↗
Fair working conditions 	Employment rate (%)	74,6	73,1	18	↗	→
	Unemployment rate (%)	6,8	7,0	17	↗	↘
	Long-term unemployment rate (%)	3,9	2,8	24	↗	↘
	Youth unemployment rate (%)	20,6	16,6	20	↗	↘
	Activity rate (%)	74,6	73,6	16	↗	↗
	In-work-at-risk-of-poverty rate (%)	5,2*	9,0*	6	↗	↘
	Real gross disposable income of households (index since 2008)	124,3	110,3	8	↗	↗
Social protection and inclusion 	At-risk-of-poverty or social exclusion rate (AROPE, %)	15,6	21,7	4	↗	↘
	Severe material and social deprivation rate (%)	5,7	6,3	17	↗	↘
	At-risk-of-poverty or exclusion of children (0-17) (%)	19,7	24,4	11	↗	↘
	Disability employment gap (p.p)	23,6*	23,1	13	↗	↗
	Children aged less than 3 years in formal childcare (%)	4,8*	36,2	27	↗	↘
	Aggregate replacement ratio for pensions	0,53*	0,58	10	↘	→
	Out-of-pocket expenditure on healthcare (%)	18,75*	14,39*	15	↗	↗




Note: The columns "SK" and "EU27" reflect the indicator value for Slovakia and the weighted average of the EU27 countries. The column "Position" indicates Slovakia's position among the EU27 countries. The first marker in the column "Trend" indicates the short-term (ST) trend of SK - change in the last year and the second marker indicates the long-term (LT) trend of SK - change from 2011 to 2021 (or from the earliest available year in case of data for a shorter period). More detailed information on the indicators can be seen by clicking on the links in the indicator name.

Legend: ↗ improvement, ↘ deterioration, → stagnation

* 2020 figure

The individual indicators are defined for the three framework chapters of the EPSR: (i) equal opportunities and access to the labour market, (ii) fair working conditions, and (iii) social protection and inclusion, which are subsequently defined more specifically in the 20 guiding principles (Table 2).

Table 2: European Pillar of Social Rights - 20 principles

Equal opportunities and access to the labour market 	Fair working conditions 	Social protection and inclusion 
1. Education, training and life-long learning	5. Secure and adaptable employment	11. Childcare and support to children
2. Gender equality	6. Wages	12. Social protection
3. Equal opportunities	7. Information about employment conditions and protection in case of dismissals	13. Unemployment benefits
4. Active support to employment		14. Minimum income
		15. Old age income and pensions
		16. Health care

²³ All indicators listed in Table 1 are part of the so-called social scoreboard. This is the official set of indicators chosen by the EC to monitor the implementation of the EPSR. The indicators listed in Table 1 have been selected to contain all key information relevant to the Slovak Republic and to reflect as many of the EPSR principles as possible. Indicators where the quality of the data collected is lower, only indirectly related to the EPSR principles or less relevant for the Slovak Republic were not included. All indicators are available [here](#).

²⁴ This is a different indicator to Table 2, which measures adult participation in learning with a reference period of 4 weeks. The indicator within the objectives of the Action Plan for the implementation of the EPSR 2030 takes a reference frame of 12 months. The first indicator is based on information collected in the Labour Force Survey (LFS), the second from the Adult Education Survey (AES).

8. Social dialogue and involvement of workers	17. Inclusion of people with disabilities
9. Work-life balance	18. Long-term care
10. Healthy, safe and well-adapted working environment and data protection	19. Housing and assistance for the homeless
	20. Access to essential services

The main quantitative targets for each of the three chapters under review were defined within the Action Plan for the implementation of the EPSR²⁵. In the EPSR Action Plan, the European Commission has set three main EU targets to be achieved by the end of 2030. These were subsequently translated into targets at national level based on proposals from individual Member States on their contribution to the EU-wide commitment²⁶. Compared to 2020, Slovakia is no closer to reaching the targets. The employment rate is stagnating and the number of people at risk of poverty or social exclusion has increased year-on-year. However, the 2021 data captures the impact of the COVID-19 crisis; the long-term trend is on a downward trajectory.

Table 3: Objectives of the Action Plan for implementation of the EPSR by 2030

	EU	SR	Present value (2021)
Equal opportunities and access to the labour market			
Adult participation in learning (% , 25-64 years)	60	50	42 ²⁷
Fair working conditions			
Employment rate (% , 20-64 years)	78	76,5	74,6
Social protection and inclusion			
Reducing the number of people at risk of poverty or social exclusion ²⁸	- 15 million (including 5 million children)	- 70 thousand	+ 47 thousand

Source: Definition of national targets by 2030 in the context of the Action Plan for the implementation of the European Pillar of Social Rights, EUROSTAT

²⁵ This is a different indicator to Table 2, which measures adult participation in learning with a reference period of 4 weeks. The indicator within the objectives of the Action Plan for the implementation of the ENPI 2030 takes a reference frame of 1. 2 months. The first indicator is based on information collected in the Labour Force Survey (LFS), the second from the Adult Education Survey (AES). for the implementation of the ENPI was approved by the Government of the Slovak Republic at its meeting on 12 January 2022.

²⁷ The value is from the Adult Education Survey, the most recent value is from a survey conducted in 2016. The survey was also to be conducted in 2022, but data from that survey is not yet available.

²⁸ Compared to 2019.

2 Macroeconomic framework and medium-term forecast

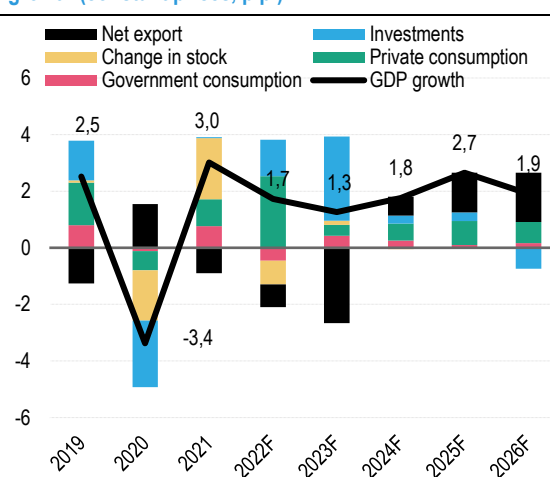
The Slovak economy will avoid recession and GDP will grow by 1.3 % in 2023. The economy will be boosted by domestic demand supported by the capping of energy prices and the absorption of RRP funds. The labour market will be resilient, but job creation dynamics will be modest. Inflation will ease below 10 % and real wages will return to growth. In 2024 and 2025, the Slovak economy is set for a recovery underpinned by stronger export performance, which will start to catch up with foreign markets. Russian aggression and the non-utilisation of RRP funds, which would cut off half of economic growth, remain a risk to the development.

The Slovak economy will grow by 1.3 % in 2023. Government transfers will contribute to household disposable income growth, and inflation will be dampened by capped energy prices. Real wages will rise, allowing households to rebuild savings. The absorption of the Recovery and Resilience Plan and EU structural funds is also expected to contribute to growth. The labour market will remain resilient, also thanks to energy aid to firms and local governments, but employment dynamics will be low. Slovak car companies are adapting production facilities to new models, which will have a negative impact on exports this year.

Government measures to bail out firms and households and a warmer winter have made it more likely that a stronger euro area recession will be averted. Global inflation is starting to fall, supply chains are loosening and the outlook for external demand is improving. The move away from China's zero-tolerance COVID-19 policy will also have a positive impact on international trade. Low unemployment and strong core inflation are likely to force the European Central Bank (ECB) to hold key interest rates higher for a longer period. Despite the ECB's strong tightening of monetary policy, yields on German bonds will gradually decline.

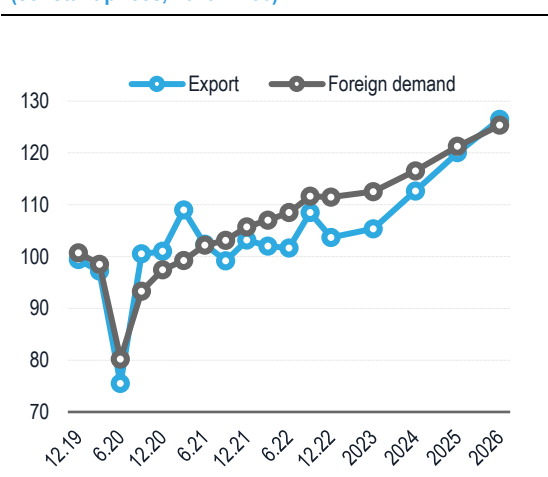
In 2024 and 2025, the Slovak economy will accelerate above 2 %, mainly driven by net exports. With new models, Slovak car companies will penetrate foreign markets and make up for lost market shares. In 2026, after a shortfall in investment activity from EU funds, the economy will slow down again to below 2 %. Household consumption will make a steady contribution to economic growth, with inflation expected to return to levels close to 2 % and the savings rate to average historical levels.

Chart 5: Contributions of individual components to GDP growth (constant prices, p.p.)



Source: SO SR, IFP

Chart 6: Foreign demand catch-up dampened in 2023 (constant prices, 2019 = 100)

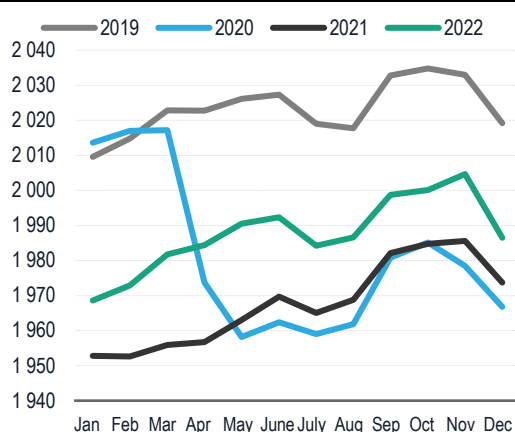


Source: SO SR, IFP

Inflation will average 9.8 % in 2023. Year-on-year price growth will be largely influenced by the base effect from the strong price increases at the end of last year. Government measures led to household energy prices

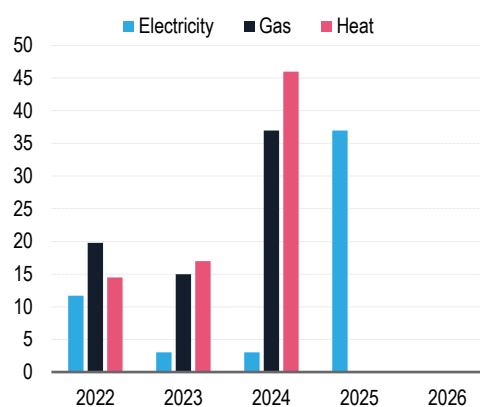
rising only moderately in January compared to developments on commodity markets. Food prices will continue to rise due to persistently high agricultural commodity prices, and we expect a slowdown in price increases only in the second half of the year. While commodity price dynamics will start to converge towards previous lower levels towards the end of the year, market services inflation will slow only slightly due to a mismatch between demand and supply in the labour market. Inflation will slow to 5.3 % next year and return to close to 2 % in the medium term. Food price inflation will normalise, while price inflation in goods and, with a lag, in services will also slow down. On the other hand, there is a risk of additional increases in energy prices. While for electricity we assume that, in accordance with the Memorandum of Understanding with Slovenské Elektrárne, the price development in 2024 will be similar to this year, for gas and heat the maximum prices are only set for 2023.

Chart 7: Employment not yet at pre-crisis levels (employment relations in thousands)



Source: Social Insurance Agency

Chart 8: Energy prices may rise in the coming years (annual growth in %)



Source: SO SR, IFP

The post-pandemic employment recovery will continue to be slow, with employment growth reaching 0.5 % in 2023 (ESA methodology). High energy prices and problems in supply chains have contributed to declines in industrial production. Lay-offs due to the energy crisis will be more moderate as firms will be compensated for high energy prices from February onwards. In 2022, employment was mainly dragged down by the services sector, which has already reached pre-pandemic levels. Refugees from Ukraine have also contributed to higher employment, with roughly 15,000 employed by the end of 2022. After an initial strong wave, their employment has stabilised at steady additions of roughly 1,000 per month, and we expect a total of 20,000 to be employed in 2023. The recovery in the labour market over the next few years will be greatly aided by investments from the RRP, which will mitigate the decline in the labour force due to an ageing population by 2026.

Despite the crisis, the registered unemployment rate continued to fall slightly. At the end of 2022, it reached 6 %, and the long-term unemployment rate has also fallen. In 2023, we expect a slight increase in unemployment (0.1 p.p.) at first, which will be felt mainly by workers in energy-intensive manufacturing. However, unemployment should start to fall again in the second quarter, and the subsequent more pronounced decline will be supported by investment.

Nominal wages are rising at a rapid pace and will outpace the high rate of inflation this year. In 2023, nominal wages will grow by 10.5 %, with the public sector making a significant contribution to growth. In addition to the wage indexations in January (PS: 7 %, education: 10 %) and September (PS: 10 %, education: 12 %), health workers also negotiated notable increases at the end of the year, which will contribute roughly the same amount to the wage base as the indexation (EUR 0.5 billion each). In the public sector, the forecast assumes weaker wage growth from 2024 onwards, due to spending cuts in the public administration.

Negative risks prevail. Russian aggression may bring renewed increases in the prices of agricultural products, energy and additional spillovers into the prices of goods and services. Volatility on the markets may be brought about by energy supply shortages as European countries fill their stocks for the next winter. However, the level of electricity and gas prices will also matter and, once they have peaked, they will have to catch up with market levels at some point. On the positive side, there is a risk of a stronger integration of people from Ukraine into the domestic labour market and a higher production potential of the economy.

3 Measures in key structural areas

3.1 Public finance

The government's priority is to return to sound public finances while respecting European and national budgetary rules. The long-term sustainability of Slovakia's public finances, also burdened by the high future costs of an ageing population, has deteriorated during the COVID-19 pandemic. The ongoing war in Ukraine and the related need for the government to respond to the energy crisis are a new challenges for public finances and their sustainability. The Slovak Republic is currently one of the EU countries with the worst long-term sustainability²⁹. This undesirable situation is partly offset by changes in the pension system. A key measure of pension reform is to re-link the retirement age to life expectancy growth. The same objective is pursued by the public finance management reform aimed at implementing multiannual limits on public spending. The public expenditure limits were set for the 2023-2025 budget, but the obligation to meet them has been postponed to 2024 due to the linking of the escape clause to European fiscal rules. At the same time, the quality of public finances has been strengthened by the implementation of changes aimed at prioritising investments and their continuous monitoring.

Public finance outcome indicators

		2016	2017	2018	2019	2020	2021	2022	2030 target
Government gross debt (% OF GDP)	EN	52,3	51,5	49,4	48,0	58,9	62,2	59,7*	40
	EU	86,1	83,4	81,4	79,2	91,5	89,4	86,0*	-
S2 - long-term sustainability indicator (value)	EN	2,4	2,4	2,5	3,8	7,7	10,6	9,6*	2
	EU	2,1	1,9	2,3	2,4	2,4	3,0	3,0*	-

*These are preliminary values.

Note: The methodology for setting targets at national and European level can be found in Annex 1.

The reform of I. pension pillar was adopted in 2022 to improve the long-term sustainability of public finances and the reform of II. pension pillar to improve asset allocation and thus increase future pensions from the retirement savings scheme. The amendment of the pay as you go pillar improves the long-term sustainability of public finances through measures that generate savings over the long term, in particular by linking the retirement age to life expectancy and slowing the growth of newly granted pensions³⁰. In addition to measures improving long-term sustainability, the reform of I. pension pillar also included measures that put additional pressure on public finances in the medium term, in particular the introduction of a parental pension and allowing retirement after 40 years of work. The reform of II. pension pillar introduced a default investment strategy based on life-cycling, which will lead to a higher allocation of savings to equities for a large proportion of savers³¹. The amendment also brought automatic entry into II. Pillar for new entrants to the labour market up to the age of 40, with the option to exit within two years³². Due to these changes, savers' savings will be more efficiently capitalised contributing to higher future pensions from II. pillar.

Public expenditures ceilings³³ were set for the 2023-2025 budget, but the obligation to meet them has been pushed back by the escape clause. The introduction of the public expenditure ceilings was approved

²⁹ [The 2022 Stability & Convergence Programmes.](#)

³⁰ [Draft Budget Plan of the Slovak Republic for 2023. BOX 7.](#)

³¹ New savers and gradually selected groups of existing savers will be admitted to the default investment strategy and will be allowed to withdraw from the default investment strategy at any time. Savers who were moved to bond guaranteed funds in 2013 and have not made any change to their asset allocation since then will automatically enter this strategy. Depending on their age, all their assets in Pillar II (born after 1968) will be matched or only their new contributions (born in 1968 or earlier) will be redirected.

³² If the saver decides to leave Pillar II within 2 years, he/she will again have the option to enter within the age limit (currently 40 years).

³³ The public expenditure limit as a systemic instrument is legislatively regulated in the amendment to [the Act on Budgetary Rules of Public Administration.](#)

by the parliament in March 2022³⁴. Subsequently, the Council for Budget Responsibility (CBR) worked with the Ministry of Finance of the Slovak Republic (MoF) to develop a technical methodology for calculating expenditure ceilings. Agreement on this methodology was reached in December 2022³⁵. In the same month, an amendment to the Budget Rules Act was adopted, which linked the obligation to comply with the expenditure limits to the re-launch of the European fiscal rules. As the escape clause of the European rules is announced until the end of 2023³⁶, in practice this means that the budget for the current year does not need to be aligned with the public expenditure ceilings once they have been approved by the National Council³⁷. The alignment of the budget with the applicable limits should only take place after the end of the escape clause, which is expected by the EC to take place in early 2024. In order to achieve compliance with the expenditure ceilings by 2025, measures amounting to 0.7 % of GDP need to be found, according to the current calculation of the CBR. The implementation of the expenditure ceilings and the associated consolidation should stabilise public debt well below 60 % of GDP by 2025.

The change in the rules for the preparation of public investments has emphasised the social benefits of investment projects. In 2022, the MoF evaluated 246 projects with identified potential savings of EUR 657 million. Evaluations for a total of EUR 10.3 billion have resulted in recommendations towards changing the variant, optimising the technical solution, improving processes or making projects cheaper³⁸.

Ministries with an average annual investment of over EUR 20 million (currently 13 ministries) have a published prioritisation methodology and investment plan for at least the next five years³⁹. There has been an improvement over the last year, as at the beginning of 2022 only eleven ministries had a published prioritisation methodology and eight ministries had a published investment plan. However, the investment plans still do not meet the quality criteria in some cases, making it impossible to link them to the budget. For example, the plans do not correspond to actual budget spending during the year and thus do not contribute to better investment planning. The MoF coordinates their updating to ensure that the methodologies objectively reflect priorities and that the plans are realistic and linked to the public administration budget.

Adopted measures⁴⁰

Measures from the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Pension reform	Adoption of Pillar I and Pillar II pension reforms to improve the long-term sustainability of public finances and to correct the inappropriate asset allocation in Pillar II, thereby increasing future pensions from the old-age savings scheme. Implemented	Component 18: Reform 1
Introduction of expenditure ceilings	Entry into force of the multiannual limits on public spending and their implementation for 2023. Implemented	Component 18: Reform 2

³⁴ [Act](#) amending the Act on the Financial Rules of the Public Administration and amending and supplementing certain acts.

³⁵ After [the methodology](#) adoption, the CBR subsequently calculated the expenditure limits and the parliament approved them at the end of January and the beginning of February.

³⁶ In May 2022, the EC decided to extend the general escape clause for 2023, due to the extreme uncertainty and downside risks caused by the war in Ukraine, rising energy prices and continued constraints in supply and demand chains.

³⁷ However, the 2023 public expenditure limit is included in the state budget law in the same amount as calculated and later submitted to the parliament by the CBR.

³⁸ From 2020, the [law](#) requires public administration to prepare and publish a feasibility study at the start of the whole process for investments above EUR 40 million (EUR 10 million for IT projects), which is subject to evaluation by MoF. Also, in late 2020, the government approved a [resolution](#) on the assessment of investments of public administration entities (excluding local governments) by the MoF for expenditures exceeding EUR 1 million.

³⁹ The published investment methodologies and plans are also summarised and published on the [MoF website](#).

⁴⁰ Measures that have been implemented or should have been implemented in 2022 and Q1 2023.

Publication of prioritised investment plans	Ministries with an average annual investment of more than EUR 20 million (currently 13 ministries) are obliged to develop prioritisation methodologies and subsequent investment plans. Implemented	Component 18: Reform 3
Publication and application of the adopted methodology for the preparation and prioritisation of investments	In March 2022, the Government of the Slovak Republic approved the Methodology for the Preparation and Evaluation of Investment Projects , which is part of the investment management reform. The preparation and evaluation of all relevant public investment projects is carried out in accordance with the published methodology. The evaluation is carried out by the MoF and applies to all new investment projects at national level above EUR 1 million. Implemented	Component 18: Reform 3
Measures beyond the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Adoption of an amendment to the constitutional law on budgetary responsibility (adjustment of the debt brake)	The proposal, prepared in 2020, is based on the experience with the functioning of the current constitutional law, which has shown the need for several changes. It is proposed to switch from gross debt tracking to net debt tracking, to modify the penalty bands as well as the escape clauses. The modification should also align the debt brake mechanism with the expenditure ceilings, but to date the proposal has not received sufficient support. Not implemented	Government draft constitutional law
Implementation of budgeting under unchanged policy scenarios resulting from the amendment to the Financial Regulation Act	As part of the amendment to the Law on Budget Rules approved by the National Council in March 2022, the process of creating NPC scenarios as a basis for determining expenditure limits at the level of ministries is disaggregated. These should replace the current budgeting system and streamline budget negotiations from 2022 onwards. Not implemented	Amendment to the Financial Regulation Act
Sending invoice data from tax entities (e-Invoice)	E-invoice is an information system for submitting invoices in electronic form. The implementation of the measure has been suspended in 2022. However, following the EC initiative "VAT in the digital age" ⁴¹ , it is expected to continue to prepare the implementation of this system at national level, based on the legal framework to be approved by the EU Member States. Not implemented	e-Invoice
Extension of the mandate of the Committee on Fiscal Forecasts	In order to strengthen transparency in budget preparation, the mandate of the Fiscal Forecasting Committee was also expanded in 2022. Among the items included in the projections were expenditures on old-age, widow's and widower's, early retirement and disability pensions. Implemented	Statute of the Tax Forecast Committee

⁴¹ E-invoicing is also one of the pillars of the [VAT in the Digital Age](#) initiative, which aims to modernise the VAT system in the EU and, among other things, to bring about a new digital system for real-time reporting of data from e-invoices issued. According to the EC proposal, the introduction of e-invoicing should be mandatory by 2028.

Establishment of a behavioural unit at the Ministry of Finance of the Slovak Republic	The Behavioural Unit was established in 2022 and is part of the Financial Policy Institute. Its aim is to apply insights from behavioural studies to the design of new policies and to test them in practice through experiments. Implemented	Organisational structure of the MoF
Putting in place measures for the effective recovery of arrears	Among the measures taken to streamline the recovery processes, the following can be mentioned: - Diversification of recovery methods and more frequent execution of tax execution in the field. - Securing outstanding and unpaid tax and arrears through interim measures and pledges. - Increased analytical support to tax authorities from the FR SR level. - Expanding technical support to executors. - Ensuring legal enforceability of all arrears (amendment of the relevant law). Implemented	
Simplification of registration and allocation of VAT number	Modification of the registration process and introduction of ex-officio registration. An entity will be automatically assigned a tax identification number (TIN) upon registration in the Commercial or Trade Register. The aim is to reduce administration. Implemented	Simplified registration

Upcoming measures

Measures from the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
None		
Measures beyond the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Streamline processes for recovering tax arrears	For example, the forthcoming measures will include: - Amendment of the Tax Code in the part regulating the recovery of arrears ⁴² . - Provision of technical support for tax executors to provide quick access to individual property registers ⁴³ . - Strengthening the number of tax enforcement officers carrying out enforcement based on an individual approach to debtors on the basis of behavioural analysis - Streamlining international assistance in the recovery of arrears by completing a separate organisational unit at the level of the FR SR.	Current version of the Tax Code
Reducing the VAT tax gap and improving collection efficiency	By legislatively defining tax fraud in conjunction with three times and enough style software alerts, it will be easier to assess participation in fraud, which tends to promote a psychological effect of tax compliance.	

⁴² In particular, computerisation of auctions, streamlining of other methods of tax enforcement or removal of obsolete provisions in order to contribute to an increase in the volume of recovered and paid arrears.

⁴³ Alternatively, to other databases containing information on data subjects.

Relevant reference points



Specific recommendations of the Council of the EU for Slovakia (CSR)

- CSR 2019/1 (Part 2): Safeguard the long-term sustainability of public finances, notably that of the healthcare and pension systems.
- CSR 2020/1 (Part 1): In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment..
- CSR 2020/2 (Part 1): Provide adequate income replacement ...
- CSR 2020/3 (Part 3): Front-load mature public investment projects ...
- CSR 2020/4 (Part 2,3): Ensure a favourable business environment and quality public services through enhanced coordination and policy-making.
- CSR 2022/1 (section 3.5): For the period beyond 2023, pursue a fiscal policy aimed at achieving prudent medium-term fiscal positions. ... Continue to strengthen tax compliance, including by further digitalising tax administration.
- CSR 2022/2 (Part 1): Proceed with the implementation of its recovery and resilience plan, in line with the milestones and targets included in the Council Implementing Decision of 13 July 2021.



2030 Agenda for Sustainable Development Goals

- Goal 5: Gender equality
- Goal 8: Decent work and economic growth
- Goal 17: Partnerships for the goals



European Pillar of Social Rights

- Principle 2: Gender equality
- Principle 15: Old age income and pensions

3.2 Education

The performance of the Slovak education system continues to lag behind the European Union average at several levels. Children in primary schools need to develop skills needed for the 21st century. The gradual transition to a new curriculum is therefore continuing, which will enable children to develop their critical and creative thinking and digital skills to a greater extent. The reform is also intended to strengthen the quality of teaching staff skills, including training them for the new curriculum. The lack of inclusion in pre-primary education is reflected in the frequent rejection of applications for placement in kindergartens, as well as low proportion of disadvantaged children attending kindergartens. One of the prerequisites for increasing inclusion is the introduction of a legal entitlement to a place in a kindergarten for children from the age of four and subsequently from the age of three. The legal entitlement will also help to coordinate work and family life and promote parental employment. Another inclusive measure is a change in the approach to children with special educational needs across the whole education system. A high proportion of domestic students choose to study abroad and subsequently start their working lives⁴⁴ outside of Slovakia. Reform efforts are therefore also focused on improving the performance of universities and supporting their ability to attract and retain talent. Adjusting the methodology for grant allocation by introducing performance agreements will support profiling and diversification of universities based on their specific strengths and development potential. At the same time, research assessments were carried out in 20 public universities in 2022 and departments with top performance in science and artistic subjects were identified, which will enable targeted support for their further development.

Outcome indicators for education

		2016	2017	2018	2019	2020	2021	2022	2030 target
Proportion of children in pre-primary education (from 3 years to the beginning of compulsory primary education)	SK	73,4	74,9	77,6	77,8	78,1	-	-	94,6
	EU	92,5	92,5	92,3	92,9	93,0	-	-	94,6
PISA (grade point average in reading literacy, maths and science)	SK	-	-	466 ⁴⁵	-	-	-	-	473
	EU	-	-	484	-	-	-	-	481
Percentage of pupils below basic level in reading (PISA)	SK	-	-	31,4	-	-	-	-	28,0
	EU	-	-	22,5	-	-	-	-	21,3
Early leavers from education and training (% in the 18-24 age group)	SK	7,4	9,3	8,6	8,3	7,6	7,8	-	6,0
	EU	10,6	10,5	10,5	10,2	9,9	9,7	-	6,0
Average ranking of the best university in TOP rankings (average ranking in Times, Shanghai rankings and QS), EU median	SK	651	651	668	784	835	834	784	706
	EU	384	316	319	336	334	353	356	353
Percentage of people participating in adult education (age 25-64; last 4 weeks)	SK	2,9	3,4	4	3,6	2,8	4,8	-	7,0
	EU	10,3	10,4	10,6	10,8	9,1	10,8	-	10,6

*approved national target

Note: The methodology for setting targets at national and European level can be found in Annex 1.

The implementation of compulsory pre-primary education aims to increase the enrolment of children in kindergartens and improve the inclusion of the education system. The main challenge is low level of inclusion of children with special educational needs, linguistic barriers, children from the MRC and from families at risk of poverty. Part of the reform efforts under the RRP therefore focus on ensuring the conditions for the implementation of compulsory pre-primary education for children from the age of five and the introduction of a legal entitlement to a place in kindergarten or with other pre-primary education providers from the age of three. In 2022, the target of increasing the number of children aged five attending pre-primary education from 88 % to 95 % was met. Legislative changes to ensure legal entitlement to a place in

⁴⁴ [Brain drain in Slovak, Brain drain I. : Don't take that train!](#)

⁴⁵ PISA testing takes place every 3 years. However, in 2021 it was postponed to 2022 to reflect the impact of the COVID-19 pandemic on pupils' abilities. The latest testing results will therefore only be reflected in the 2024 NRP.

kindergarten or other pre-primary education providers from the age of three was not be adopted by the end of 2022. The Government of the Slovak Republic approved a draft amendment to the Education Act introducing legal entitlement in February 2023, which will then be discussed by the Slovak Parliament.

Sufficient places will gradually be secured for all children in kindergartens or other pre-primary education providers⁴⁶. Steps have been taken to make up the capacity shortfall by issuing a call for selected projects to increase kindergarten capacity in August 2022. This will be followed by obtaining building permits and selecting contractors in 2023.

Curriculum and textbook reform is essential to improve literacy and skills students need for the 21st century. The poor results in PISA testing can be partly attributed to an education system in which pupils passively accept and memorise facts, rather than developing critical and creative thinking and soft skills. During 2022, the development of a new curriculum was underway. The curriculum was continuously submitted for public consultation. The new curriculum is expected to be approved in 2023 for all primary school cycles, with the possibility to implement the new curriculum in the first grades of the first cycle of primary education

An important part of the successful implementation of the new curriculum is the establishment of regional teacher support centres. The role of the centres is to assist schools in implementing the changes, and they will work through mentoring, guidance and consultancy activities during the transition process. In 2022, 16 regional centres were established and 16 more will be set up in 2023. Further modernisation of the education system is also taking place at the level of student testing. In 2022, a legislative amendment to the Education Act was made to anchor the electronic form of the matriculation examination. A tender for the e-test II system was also due to be launched at the end of 2022, which is the next step in introduction of the online matriculation examination. The deadline for the announcement of the tender has been delayed and has been postponed until next year.

Adopted measures

Measures from the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Introduction of legal entitlement to a place in a kindergarten from the age of three	The draft amendment to the Education Act approved by the Government introduces a universal legal entitlement to a place in kindergarten for children from the age of four from the school year 2024/2025 and subsequently from the age of three from the school year 2025/2026. The system of financing pre-primary education will also change. Implementation is ongoing	Component 6: Reform 1
Increase in the number of children aged five attending pre-primary education	Meeting the target to increase the number of children aged five attending pre-primary education from 88 % to 95 %. Implemented	Component 6: Reform 1
Call / direct subsidy for selected projects to increase kindergarten capacity ⁴⁷	Ensure sufficient places for all children from the age of four (from September 2024) and then from the age of three (from September 2025). Implemented	Component 6: Reform 1

⁴⁶ For all children from the age of four (from September 2024) and then from the age of three (from September 2025).

⁴⁷ In addition to the resources from the RRP, capacity building projects from the European Structural and Investment Funds (ESIF) are being implemented.

<p>Redefinition of the concept of special educational needs and preparation of accompanying methodological materials for teaching staff, professional staff and school management</p>	<p>The amendment to the Education Act and the amendment to the Act on the Financing of Primary Schools, Secondary Schools and Educational Institutions defines children and pupils experiencing barriers in accessing education and establishes their entitlement to educational support through special support measures. The amendment to the Education Act was delivered to the National Council on 24 February 2023.</p> <p>Implementation is ongoing</p>	<p>Component 6: Reform 2</p>
<p>Implementation of legislation creating a comprehensive guidance system</p>	<p>The comprehensive system of counselling and prevention will consist of newly created counselling and prevention centres (CPP), which will provide professional activities without targeting groups according to health disadvantage, as is currently the case, so that a child's ability to attend a CPP is not determined on the basis of his or her health disadvantage. Specialist activities will be provided in close cooperation between support teams in schools, including a multidisciplinary team.</p> <p>Implementation is ongoing</p>	<p>Component 6: Reform 3</p>
<p>Implementation of legislative changes aimed at: expanding the possibility of obtaining lower secondary education within the fields of lower secondary vocational education (LSVET), optimising the fields of LSVET in relation to the needs of the labour market and the supply of fields of study</p>	<p>Legislative changes have been made to the Education Act, the Vocational Education and Training Act and the Decree of the Ministry of Education, Science, Research and Sport of the Slovak Republic (MoED). The aim is to remove the so-called dead ends in the education system and to allow students of LSVET disciplines to complete LSVET within one programme, which is more efficient. It will ensure greater targeting of the system towards vulnerable groups. The subjects covered will be adapted to meet labour market needs.</p> <p>Implemented</p>	<p>Component 6: Reform 4</p>
<p>Establishment of a unified desegregation monitoring system</p>	<p>Standards for the spatial desegregation of schools will be developed and published and a uniform system for monitoring desegregation will be established. The first comprehensive monitoring report on desegregation will be published.</p> <p>Not implemented</p>	<p>Component 6: Reform 5</p>
<p>Increase in the number of pupils participating in tutoring programmes</p>	<p>12 000 pupils participated in tutoring programmes. The tutoring programme prioritises those pupils who were unable to fully engage in education during the period of interrupted full-time schooling during the pandemic in the 2019/2020 and 2020/2021 school years and are therefore at direct risk of school failure.</p> <p>Implemented</p>	<p>Component 6: Reform 6</p>
<p>Approval of the primary education curriculum</p>	<p>The MoED will approve a new state educational programme for primary schools with the possibility of its implementation from 1 September 2023 and its mandatory universal introduction from 1 September 2026.</p> <p>Implementation is ongoing</p>	<p>Component 7: Reform 1</p>

Procurement for eTest II.	The goal is for the widespread implementation of electronic testing. This is the first step in the planned introduction of online matriculation Not implemented	Component 7: Reform 1
Establishment of regional curriculum management and school support centres	The role of the centres is to assist schools in implementing the changes, and they will work through mentoring, advice and consultancy activities during the process of transition to the new curriculum. In 2022, 16 regional centres have been established. Implemented	Component 7: Reform 1
Amendment to the School Act on secondary school completion	The adopted amendment enables the implementation of matriculation examination in an electronic form. Implemented	Component 7: Reform 1
Implementation of legislative changes to strengthen the quality of skills of teaching and professional staff and to motivate them towards lifelong professional development	Current teacher training is inadequate and does not copy the needs of school practice. Teacher curricula create combinations of subjects without the possibility to specialise in broader educational areas (natural sciences, social sciences), which is a prerequisite for the successful implementation of the new curriculum. Implementation is ongoing	Component 7: Reform 2
Introduction of performance agreements	Performance agreements will support strategic objectives of individual universities, which will support a move away from the single science-performance model to a diversified higher education environment with a range of career-focused programmes (schools of applied research). Implementation is ongoing	Component 8: Reform 1
Definition of a system of periodic evaluation of scientific performance introduced in the Law on the Organization of State Support and the execution of 20 evaluations.	Conducting research assessment in public universities will identify top-performing departments in science and arts, based on the adopted periodic assessment methodology, and contribute to diversifying universities. Implemented	Component 8: Reform 2
Verification of compliance of internal quality systems and study programmes with standards	At least 90 % of universities will request a review of the compliance of their internal quality systems and curricula with the new accreditation standards. Implemented	Component 8: Reform 3
Conclusion of at least two calls to support the strategic development of universities	The overall modernisation of existing university infrastructure is a priority. Investments target development according to needs at the level of individual schools. Promoting excellence through an investment plan linked to the process of merging units of colleges is also a priority. There were no applicants to the calls. A new version of the call will be announced in Q1 2023. Not implemented	Component 8: Investment 1
Measures beyond the Recovery and Resilience Plan		
Payment of scholarships to talented university students based on their achievements during their secondary school studies	The aim is to support domestic and international talented students. Three categories of students are supported: the greatest talents among Slovak graduates, the greatest talents from abroad and above-average students who are from socially disadvantaged backgrounds or belong to specific	

	disadvantaged groups (e.g. orphans, children in centres for children and families).	
	Implementation is ongoing	

Upcoming measures

Measures from the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Adoption of legislative changes that will introduce the definition of segregation into legislation and the creation of methodological materials for the implementation of desegregation	Changes will be made by amending the Anti-Discrimination Act or the School Act . The definition of segregation will clearly define what acts and omissions are considered segregation, so as to avoid different interpretations. This will also be followed by raising awareness of desegregation and the creation of a subsidy scheme to support desegregation pilot projects.	Component 6: Reform 5
Establishment of 16 additional regional curriculum management and school support centres	Regional centres will be set up in 16 other regions of Slovakia following the call.	Component 7: Reform 1
Increase in the percentage of teachers trained, especially in preparation for the new curriculum, inclusive education and digital skills	At least 60 % of teachers shall be trained by 31 December 2023.	Component 7: Reform 2
Performance agreements signed with public universities	Performance agreements will be signed with at least 90 % of public universities by the end of 2023.	Component 8: Reform 1
Measures beyond the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Preparation of the implementation of shorter continuing education courses - micro-certificates	The aim is to support course development and to ensure that course are in line with the European approach and the Council Recommendation on a European approach to micro-certificates for lifelong learning and employability. Universities will be the main providers. In particular, an analysis of legislation and the preparation of legislative changes is needed.	Microcredentials
Leisure voucher project	The state will contribute between EUR 500 and EUR 780 per year for leisure activities for each child aged 6 to 18. The project is expected to have a positive impact on children and young people's health, inclusion and the levelling of social differences, as well as on education and upbringing as a whole. The project was approved as part of the tax reform by the Child Leisure Funding Act, its effectiveness was postponed until 2025.	Project VOČAPY

Relevant reference points



Specific recommendations of the Council of the EU for Slovakia (CSR)

- CSR 2019/2: Improve the quality and inclusiveness of education at all levels and foster skills. Enhance access to affordable and quality childcare and long-term care. Promote integration of disadvantaged groups, in particular Roma.

- CSR 2019/3 (Part 2,4,5): Focus investment-related economic policy on ... research and innovation, ... digital infrastructure, energy efficiency, ...
- CSR 2020/2 (section 3,4): Strengthen digital skills. Ensure equal access to quality education.
- CSR 2020/3 (Part 2): Close digital infrastructure gaps.
- CSR 2022/2 (Part 1): Proceed with the implementation of its recovery and resilience plan, in line with the milestones and targets included in the Council Implementing Decision of 13 July 2021.
- CSR 2022/3 (Part 5): Adjust renovation policies to accelerate and incentivise deep renovations of buildings.



2030 Agenda for Sustainable Development Goals

- Goal 4: Quality education
- Goal 8: Decent work and economic growth
- Goal 9: Industry, innovation and infrastructure



European Pillar of Social Rights

- Principle 1: Education, training and life-long learning
- Principle 3: Equal opportunities
- Principle 11: Childcare and support to children

3.3 Productivity: research, development, innovation and digitalisation

The introduction of innovations and the successful management of digital transition are key factors in terms of productivity growth of the Slovak economy. Slovakia remains at the tail end of the EU in terms of research and innovation performance, not only in private R&D spending, but also in most of the indicators measuring the innovation ecosystem in the European Innovation Scoreboard. Reform efforts over the past year have focused on setting the basic frameworks for an effective R&D policy. Research and innovation was defined as a key cross-cutting theme with a single cross-ministerial owner and coordinator in the form of the Government Office. The National Strategy for Research, Development and Innovation has been approved as an umbrella document for this area. Public policies in the near term will therefore mainly focus on the unification and streamlining of processes across agencies, a plan for the functional defragmentation of the support ecosystem and the implementation of other measures resulting from this national strategy. The elimination of fragmentation and lack of conceptual clarity in the management of research and innovation policy aims at increasing the efficiency of all public investment in research and innovation, while at the same time increasing the demand for projects for co-financing by the private sector. Steps to promote digitisation will aim to increase the use of the state's e-services by improving their quality, developing cybersecurity or streamlining the procurement of state IT through the introduction of a central platform.

Outcome indicators for research, development, innovation and digitalisation

		2016	2017	2018	2019	2020	2021	2022	2030 target
DESI index	SK	*	20	20	21	21	22	23	14
(ranked out of 27 EU countries)	EU							-	
European Innovation Scoreboard (EIS)	SK	21	21	22	22	23	23	23	13**
(order)	EU						-	-	
Private⁴⁸ research and development expenditure	SK	0,40	0,48	0,45	0,45	0,49	0,52	-	1,2**
(% OF GDP)	EU	1,4	1,44	1,46	1,49	1,52	1,5	-	1,73

* The last update of the index caused a change in historical values, the first available value was given for 2017.

**Revision of objectives based on the approved National Strategy for Research, Development and Innovation.

Note: The methodology for setting targets at national and European level is set out in Annex 1.

The reform of management and support of R&D and innovation has set up strategic coordination as well as first steps towards streamlining existing management and support processes. The Government Office (Research and Innovation Authority) has been given a mandate to coordinate this area strategically and methodologically, whereas it was previously carried out in a fragmented and uncoordinated way across several ministries. The functioning of the Government Council for Science, Technology and Innovation has been changed by narrowing it down, giving the chairmanship to the Prime Minister and changing its composition to include successful personalities in research and innovation, following examples of good practice from abroad. The amendment to the Act on the Organisation of State Support, Research and Development introduced the obligation to evaluate projects with the amount of state support above EUR 200 000 exclusively by foreign evaluators. It also defined the need to prepare the National Strategy for Research, Development and Innovation, the Binding Methodology for Management, Financing and Evaluation of Support for Research, Development and Innovation, as well as the Preliminary Plan for Financing Support for Research, Development and Innovation.

The approved National Strategy for Research, Development and Innovation⁴⁹ is a key framework document for the direction of policy and funding for research, development and innovation. Slovakia

⁴⁸ Business R&D expenditure has been extended to private R&D expenditure. Private R&D expenditure includes business R&D expenditure and private non-profit sector R&D expenditure. The change is due to the adoption of the National Strategy for Research, Development and Innovation, which uses the indicator private R&D expenditure. Due to the zero expenditure of the non-profit sector, the values in the SR are unchanged.

⁴⁹ An inter-ministerial comment procedure is currently being evaluated (from November 2022).

has long lacked a similar strategic document, as the Research and Innovation Strategy for Smart Specialisation covers only topics relevant to smart specialisation, specifically with regard to EU funds. The National Strategy, together with the Action Plan, sets out measures to streamline and increase transparency of the management and funding system, increase investment in a functioning support system, develop and attract talent and defines a framework for identifying thematic specialisation in research and innovation. The aim is to move Slovakia up ten places in the EIS (to 13th place) by 2030 and to increase private R&D spending to 1.2 % of GDP (at 2 % of GDP of total R&D spending).

R&D investments from the RRP will give a significant boost to the research ecosystem. They focus on involving domestic companies and researchers in the European Research Area, private-public cooperation, excellent science as well as research and innovation in the green and digital transition. The EUR 15 million has already supported excellent scientists from Ukraine who can continue their research in safety and at the same time help to internationalise the Slovak scientific environment.

The reform of management and support of research, development and innovation continues with further measures resulting from the original milestones of the RRP, which were the amendment of the Act on the organisation of state support for research and development and the draft National Strategy. These include, in particular, the definition and approval of a binding unified methodology for the selection and resolution of grant funding projects in research, development and innovation. This methodology will unify and clarify the processes in grant agencies, including across different funding sources. This is an important prerequisite for the functional defragmentation of support and the potential merging of agencies. The plan to consolidate the competences of ministries, existing agencies and institutions will allow for a smooth and efficient transition to the target state set out in the National Strategy. The plan will be based, inter alia, on the Review of Expenditure and Competences for Research, Development and Innovation. It will complement the National Strategy, providing important baseline data and evidence for future policymaking.

In 2023, a new central platform for the use of IT resources will be launched (the so-called digital marketplace), which will enable a more efficient way of procuring IT commodities⁵⁰ and professional capacities. The aim is to increase flexibility and reduce the time taken to procure services and to involve a wider range of suppliers, including SMEs. The platform will also be a central point for assessing the value of information system investments by monitoring costs, submissions, transactions and returns. Its launch is therefore a key requirement for the effective implementation of further investments of the RRP.

Adopted measures

Measures from the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Reforming governance and support for research, development and innovation	<p>The amended Act on Organisation of State Support enhanced the coordinating role of the new research governance structure, i.e. the role of the Government Office and the Government Council for Science, Technology and Innovation. It allows for the gradual integration of processes through a single binding evaluation methodology across different agencies and schemes, provides for the external evaluation of R&D projects and a regular call schedule.</p> <p>Implemented</p>	<p>Component 9: Reform 1</p>

⁵⁰ Hardware, software and cloud services.

Approval of the overarching National Strategy for Research, Development and Innovation	The Government has approved the National Strategy for Research, Development and Innovation , which is the umbrella document for funding research, development and innovation from all public sources until 2030. It provides the strategic framework and policy direction for research, development and innovation, defines the objectives and the instruments to achieve them. Implemented	Component 9: Reform 1
Call for projects to support the participation of Slovak entities in Horizon Europe	Launch at least three calls to support the participation of Slovak entities in Horizon Europe programmes in order to promote internationalisation and acquisition of resources from abroad. Implementation is ongoing	Component 9: Investment 1
Calls for projects to support collaboration between companies, academia and research organisations, and vouchers	Launch at least five calls aimed at fostering collaboration between companies, academia and research organisations, e.g. Transformation and Innovation Consortia, vouchers or matching grants. Implementation is ongoing	Component 9: Investment 2
Calls for excellent researchers	Launch at least six calls to support excellent researchers, e.g. fellowships, young investigator projects or major projects for excellent researchers. Implementation is ongoing	Component 9: Investment 3
Calls for thematic demand-driven projects addressing the challenges of the green transition	At least two calls will be launched to address the challenges of green transition, decarbonisation, as well as resilience and adaptation to climate change. Implementation is ongoing	Component 9: Investment 4
Calls for thematic demand-driven projects addressing the challenges of digital transition	At least two calls will be launched to address the challenges of digital transition and help deliver on the EC's ambitions for digital autonomy. Implementation is ongoing	Component 9: Investment 5
Launching and implementing financial instruments to support innovation	Launching at least two financial instruments supporting innovation in enterprises, in particular in the early (pre-seed) phase of the enterprise life cycle and in the growth phase of enterprises. Implementation is ongoing	Component 9: Investment 6
Proposal for a new information system for research and development grant evaluation	The new information system should enable different evaluation systems and link existing registers of organisations, researchers and publications. Not implemented	Component 9: Investment 7
Priority Life Situations Investment Plan	The investment plan will include priority life situations, a description of the current and future state of the processes and a list of investment actions that need to be implemented in the offices and in the information systems, and also for the deployment of the 16 life situations. The achievement of this milestone leads to the publication of a list of priority e-services. Implementation is ongoing	Component 17: Reform 1
Action Plan for the Digital Transition of Slovakia 2023 - 2026	The Action Plan sets out the State's objectives in the field of digitisation. The Action Plan puts forward measures to improve Slovakia's digital performance,	Component 17: Reform 3

	building on the Digital Transition Strategy 2030 and building on the current plan for 2019-2022. Implemented	
Increasing the number of Digital Innovation Centres/European Digital Innovation Centres	Establishing a network of four European Digital Innovation Hubs (EDIH) in Slovakia to provide services to businesses to support the introduction of new technologies and innovations. They will join the pan-European EDIH network. At least one more centre will be created, depending on further specification. Implementation is ongoing	Component 17: Investment 3
Proposal for a support scheme for the development and application of cutting-edge digital technologies	The MIRRI Implementation Unit has established and published a scheme of support for research and development of digital solutions for SMEs, large companies, private R&D institutions, public R&D institutions including academia and the Slovak Academy of Sciences, NGOs and non-profit organisations, media, public institutions including municipalities and other eligible applicants. The support scheme will also serve as a co-financing mechanism for projects that succeed in directly managed EU programmes. Implemented	Component 17: Investment 4
National Digital Skills Strategy	The strategy focuses on increasing digital literacy of people of working and post-working age and includes an analysis of the current situation, the definition of existing barriers and a vision of education for the next period and lifelong learning in line with the OECD 2020 recommendations, as well as a proposal of measures and recommendations for public authorities to improve the current situation and meet the set objectives. The measures will be financed from sources outside of the RRP. Implemented	Component 17: Reform 6
Increasing the number of seniors and disadvantaged people trained in basic digital skills	A pilot project was implemented to increase the digital skills of a sample of 1,000 seniors and disadvantaged people A training programme was completed, followed by the distribution of subsidized HW equipment. The results of the pilot project were evaluated and a decision was taken on the form in which the project would continue. Implemented	Component 17: Investment 6
Measures beyond the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Approval of the timetable and implementation of the review of informatisation expenditure	The aim is to improve the quality of state IT, reduce the cost of its operation and increase its efficiency. The review is expected to be completed in 2023; most of the 2022 tasks have been completed or are at a high stage of development. Implementation is ongoing	Implementation Report 2022

Implementation of measures and recommendations under the Strategy and Action Plan for the period 2020-2024 to improve Slovakia's position in the Digital Economy and Society Index (DESI)	The aim of the measures is to improve Slovakia's position in the DESI index so that Slovakia is at least in the middle of the DESI ranking. In 2022, the first version of the feasibility study of the National Broadband Plan and the National Digital Skills Strategy were developed. The set-up of the Broadband Competence Office is overdue. Implementation is ongoing	Strategy and action plan
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Upcoming measures

Measures from the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Digitisation of public procurement processes through a single electronic platform.	The single electronic platform will bring the possibility of automating the award and evaluation of contracts for all purchases of goods and services in sub-limit contracts and partly also in low-value contracts, thus ensuring increased transparency and setting up an efficient collection and evaluation of price data.	Component 14: Reform 3
Priority Life Situations Plan	The publication of the list of priority e-services by life situation will be followed by an analysis of the service design and the gaps in the plan will be identified with to the aim of improving it. This will result in the publication of the plan.	Component 17: Reform 1
Central platform for the use of IT resources (digital marketplace)	A central platform will increase the efficiency of state IT procurement. Introduction of a platform of tools and policies for a new way of procuring and using IT commodities, professional capacities, use of cloud services and open source. Services will be procured centrally (framework contract) and service users will have the ability to dynamically draw as needed from the central platform.	Component 17: Reform 2
Measures beyond the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Binding unified methodology for the selection and handling of grant funding projects in research, development and innovation	The binding methodology will bring clarity and transparency to the processes of selecting and addressing projects in research and innovation, across grant agencies and funding sources.	
Review of spending and competences on research, development and innovation	The review will focus not only on spending and efficiency of its use, but also on mapping competences in research, development and innovation. It will allow an even better grasp of forthcoming measures, such as the inter-ministerial budget programme or the competences consolidation plan.	
Inter-ministerial programme for research, development and innovation	The creation of an inter-ministerial programme will make the system of support for research, development and innovation more transparent, prevent duplication of activities and provide data support for more effective policy setting, coordination and implementation of the National Strategy for Research, Development and Innovation.	

Reform of science and research in the Ministry of Agriculture and Rural Development of the Slovak Republic (MoA SR)	Reorganisation measures that will enable the strategic objectives of the reform of science and research in MoA. The Department aims to analyse the status of their two research institutions ⁵¹ and to define the implementation process of the National Strategy for Research, Development and Innovation, taking into account pre-existing conditions of the department, by gradual steps during 2023.	
Developing a plan to consolidate the competences of ministries, existing agencies and institutions responsible for policy-making and support for science, research and innovation	Developing a detailed plan for merging and realigning (if relevant) the functions of existing ministries, agencies and organisations involved in the design and implementation of research, development and innovation. The plan will build on the Spending and Competence Review.	
Ongoing implementation of the tasks of the National Concept of Informatization of Public Administration (NCIPA) 2021 - 2030	The concept defines the framework for the implementation of IT projects financed from Slovakia's state budget, EU funds and other sources. Ministries and central government bodies in the framework of IT development adhere to the principles in question and progressively meet the objectives of the NCIPA.	National Concept of Informatization of the Public Administration

Relevant reference points



Specific recommendations of the Council of the EU for Slovakia (CSR)

- CSR 2019/2 (Part 1): Improve the quality and inclusiveness of education at all levels and foster skills.
- CSR 2019/3 (Parts 2, 4, 5, 6, 8): Focus investment-related economic policy on...research and innovation,...digital infrastructure, energy efficiency, competitiveness of small and medium-sized enterprises... Increase the use of quality-related and lifecycle cost criteria in public procurement operations.
- CSR 2019/4 (Part 1, 2): Continue to improve the effectiveness of the justice system, focussing on strengthening its independence, including on judicial appointments. Increase efforts to detect and prosecute corruption, in particular in large-scale corruption cases.
- CSR 2020/2 (Part 1, 3): Provide adequate income replacement, and ensure access to social protection and essential services for all. Strengthen digital skills.
- CSR 2020/3 (Parts 1, 2, 4, 5): Effectively implement measures to ensure liquidity for small and medium-sized enterprises and self-employed. Close digital infrastructure gaps... promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy and resources, ...
- CSR 2020/4 (Parts 1, 2, 3, 4): Ensure effective supervision and enforcement of the anti-money laundering framework. Ensure a favourable business environment and quality public services through enhanced coordination and policy-making. Address the integrity concerns in the justice system.
- CSR 2022/1 (Part 2): Expand public investment for the green and digital transitions, and for energy security taking into account the REPowerEU initiative, including by making use of the Recovery and Resilience Facility and other Union funds.
- CSR 2022/2 (Part 1): Proceed with the implementation of its recovery and resilience plan, in line with the milestones and targets included in the Council Implementing Decision of 13 July 2021.



2030 Agenda for Sustainable Development Goals

- Goal 4: Quality education
- Goal 8: Decent work and economic growth
- Goal 9: Industry, innovation and infrastructure
- Goal 13: Climate protection
- Goal 16: Peace, justice and strong institutions

⁵¹ [National Agricultural and Food Centre](#) and [National Forestry Centre](#).



European Pillar of Social Rights

- Principle 1: Education, training and life-long learning

3.4 Labour market, social affairs and housing

Despite the resilience of the labour market in the face of the persistent crises of recent years, it has not been possible to bring the employment rate of the population back to its pre-crisis trajectory. In particular, the employment rate of people with low education (including the MRC) and mothers is lagging behind. Employment growth has largely been driven by the refugees from Ukraine, who are taking up the jobs that are more difficult to fill. Maintaining the current employment levels will require activating untapped labour potential. Demographic pressures, coupled with persistent brain drain and low participation of selected population groups, will cause the unemployment to no longer be Slovakia's main challenge, it will become the labour shortages. In order to increase the inflow of skilled labour, the implementation of the RRP reforms is being pursued, the aim of which is to reduce barriers to residence and access to the labour market for skilled foreign workers. Simplifying the recognition of education and professional qualifications will increase the attractiveness of the Slovak labour market in shortage occupations. The amendment to the Employment Services Act aims to align the lifelong learning system with the needs of the labour market. For this reason, the Alliance of Sectoral Councils will monitor and communicate labour market trends to the ministries. The introduction of a new allowance to support the retraining of jobseekers will encourage investment in skills in demand on the labour market. In the area of housing policy, the supply of affordable housing remains at the tail end of OECD countries. A number of measures have been implemented to increase housing affordability in Slovakia, such as streamlining and speeding up the construction processes.

Outcome indicators for labour market and social affairs

		2016	2017	2018	2019	2020	2021	2030 target
LFS employment rate	EN	69,8	71,1	72,4	73,4	72,5	74,6	76,5*
(LFS, 20-64 years)	EU	70,1	71,3	72,3	73,1	72,2	73,1	78,0*
ESA employment rate	EN	42,7	43,6	44,4	44,8	43,9	43,8	47,4
(ESA, whole population)	EU	45,1	45,8	46,4	46,8	46,1	46,8	47,4
Percentage of people at risk of poverty or social exclusion	EN	17,1	15,8	15,2	14,8	13,8	15,6	13,6*
(after transfers, % of population)	EU	23,7	22,4	21,7	21,1	21,6	21,7	17,7*
Employment rate of women	EN	58,8	59,7	59,6	59,6	57,9	66,4	66,8
(LFS, 20-40 years old)	EU	64,6	65,8	66,6	67,2	66,1	67,4	67,9
Employment rate of people with low education	EN	35,9	37,3	36,4	36,1	34,0	26,9	49,4
(LFS, ISCED 0-2)	EU	52,5	53,9	55	55,7	54,8	54,9	56,5
Household overcrowding	EN	37,9	36,4	35,5	34,1	30,1	n/a	16,5
(% of population)	EU	17,9	17,5	17,1	17,1	17,4	17,0	16,5
Housing costs	EN	29,6	28,5	28,1	28,7	31,0	31,3	27,9
(Share of total final household consumption)	EU	23,8	23,6	23,4	23,4	25,5	25,0	23,4
Proportion of the population living in rent-controlled or rent-free accommodation	EN	1,6	1,5	1,2	1,4	1,6	n/a	4,2
(% of population)	EU	9,7	9,6	9,3	9,1	9,5	9,8	6,7

*approved national target

Note: The methodology for setting targets at national and European level can be found in Annex 1.

The reform of the residence and labour legislation and the accelerated recognition of educational qualifications facilitates the entry of skilled workers into the country. In December 2022, the fast-track visa scheme for highly skilled third-country nationals was extended for another year. The simplified acquisition of citizenship is part of the measures to support the maintenance of relations with the community of foreign Slovaks or foreigners with family ties in Slovakia. The amendment to the Act on the Recognition of Educational and Professional Qualifications exempts certain documents from the obligation to submit them and strengthens the capacity of the Centre for the Recognition of Educational Qualifications (SUDV), which

will significantly speed up and simplify the process. One-stop shops will be created to support the integration of foreigners and returnees in Slovakia. Their role will be to provide comprehensive advice and services to incoming workers and their families in managing integration in Slovakia.

The amendment to the Employment Services Act aims to align the lifelong learning system with the needs of the labour market. In order to adapt the training and retraining strategy to the needs of the labour market, the competences of the Alliance of Sectoral Councils have been strengthened. The latter will be actively involved in setting up the lifelong learning system so that it is in line with current labour market trends, which will be monitored and communicated to the ministries.

The introduction of a new allowance to support the retraining of jobseekers is a positive step. This may increase the availability of retraining according to employers' needs and improve the supply of skilled labour. It also may help to increase the share of training programmes⁵² in the structure of active labour market measures (AOTP), which is one of the lowest in the EU. For a more efficient provision of employment services, it is necessary to ensure their provision in line with the principles of early intervention and individualised guidance (in line with the Action Plan to Strengthen the Integration of the Long-term Unemployed into the Labour Market APLU 2030). The APLU is based on a renewed and stronger use of tools that allow for an individual approach (individual action plan, competency assessment and more detailed profiling of clients). The weakness of the current profiling model is that it does not reveal the risk of long-term unemployment being a good practice in public employment services. Consequently, the list of possible interventions provided to the client only grows with the length of registration. Such reform efforts⁵³ will require strengthening the human and technological capacities of labour offices.

A number of housing policy measures have been implemented to increase housing affordability in Slovakia. Laws on construction and on spatial planning have been adopted in order to make the construction process more efficient and faster.. They will contribute to speeding up and digitalisation of the permitting processes or improving the possibilities for removing black buildings. Amendments to the Public Procurement Act will bring changes to supervision as well as the professionalisation of public procurement. Amendments to the Law on Land Improvement allows better and more efficient access of local governments to land for the purpose of rental housing construction.

Adopted measures

Measures from the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Scheme defining a new purpose for granting national visas (D) in the interest of the Slovak Republic for a new category of applicants	The granting of national visas in Slovakia's interest to highly qualified third-country nationals for the purpose of seeking employment for a period of 90 days or for the purpose of employment for the duration of the employment, up to a maximum of one year, has been introduced. Implemented	Component 10: Reform 1
Facilitating return to the country and making the country more attractive to foreigners with family ties	The amendment to the Citizenship Act simplifies citizenship acquisition by removing the requirement of a minimum period of residence in Slovakia. Implemented	Component 10: Reform 1

⁵² Most training and retraining programmes were provided through national programmes (e.g. REPAS, KOMPAS, etc.)

⁵³ In line with the Lifelong Learning and Guidance Strategy 2022-2024 Action Plan.

Simplifying the recognition of education and professional qualifications	The amendment to the Act on the Recognition of Educational Qualifications and Professional Qualifications will facilitate and accelerate the recognition of diplomas/documents from abroad. The amendment to the Health Care Providers Act will facilitate the employment of highly qualified health professionals. Implemented	Component 10: Reform 2
Measures beyond the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Coordination of public policies for the inclusion of the MRC	Adoption of the Action Plans for the Roma Equality, Inclusion and Participation Strategy 2030. On the basis of the amendment to the Act on Government Activities , the Government Office of the Slovak Republic assumes the position of coordinator of the implementation of the inclusion of marginalised Roma communities. The Office of the Government Plenipotentiary of the Slovak Republic, as an organisational component performs the above-mentioned competences. Implemented	Action Plan for the Roma Equality, Inclusion and Participation Strategy 2030
Introduction of an allowance to support the retraining of jobseekers and coordination of the lifelong learning system with the needs of the labour market.	A new allowance to support self-initiated retraining of jobseekers at 100 % of eligible costs can be provided under the Employment Services from 2023. The competences of the Alliance of Sector Councils will be strengthened to adapt training and retraining strategies to the needs of the labour market. The Alliance should be actively involved in solutions to set up a lifelong learning system to be in line with current labour market trends. Implementation is ongoing	Employment Services Act
New law on lifelong learning	The aim is to introduce new institutes in the field of lifelong learning, to ensure the permeability of the education system, to introduce a system of recognition and validation in the field of adult learning, to introduce a new funding scheme for adult learning through individual learning accounts and to address inter-ministerial coordination of lifelong learning. Meetings have been held with external partners on the draft law and draft material is currently being prepared for the preliminary comments procedure. Implementation is ongoing	Action plan for a lifelong learning strategy
Thawing of the minimum pension	From July 1 st , the amount of the minimum pension will again be linked to the minimum subsistence level, while the graduation of the minimum pension according to the qualifying period of pension insurance (QPA) will also be adjusted. For an insured person with 30 years of QPA, the amount of the minimum pension is set at 136 % of the minimum subsistence level. Implemented	Amendment to the Social Insurance Act

Adoption of the National Plan for Strengthening the Youth Guarantee in the Slovak Republic	<p>The National Plan for Strengthening the Youth Guarantee in the Slovak Republic with a view to 2030 was adopted on 27 October 2022. Its main objective is to ensure that all young people up to the age of 30 receive a quality offer of employment, further education, apprenticeship or traineeship within four months of losing their job or leaving formal education.</p> <p>Implemented</p>	
Introduction of a permanent "kurzarbeit"	<p>Introduction of the law on support during short-time working, so-called "kurzarbeit", with effect from 1 March 2022. The law sets the rules for the provision of partial reimbursement of the employer's costs for the employee's wages during the duration of the external factor which has restricted the employer's activity.</p> <p>Implemented</p>	<p>Act on support during short-time working</p>
Implementation of measures from the Action Plan to 2025 (Housing Policy of the Slovak Republic to 2030) - construction process	<p>The Construction Act and the Town and Country Planning Act were enacted to streamline and speed up the construction process. They will contribute to speeding up permitting processes, computerising the permitting of new constructions, and improving the possibilities for removing black buildings. At the same time, the laws change the powers of the authority that issues a binding opinion on investment activity as to whether it is in accordance with the zoning plan. In the case of the capital city, there is a lack of clear anchoring of the issuance of binding opinions by the city as a key competence of the municipality, through which the city assesses whether development projects are in line with the spatial plan, the city's development needs and the public interest.</p> <p>Implemented</p>	<p>Construction Act and Town and Country Planning Act</p>
Implementation of measures from the Action Plan until 2025 (Housing Policy of the Slovak Republic until 2030) - streamlining the public procurement process	<p>As part of a major legislative change in the area of public procurement, specific areas relating to housing have also been regulated. With effect from 31 March 2022, the amendments to the Public Procurement Act include changes regarding the exercise of supervision as well as the professionalisation of public procurement.</p> <p>Implemented</p>	<p>Amendment to the Public Procurement Act</p>
Implementation of measures from the Action Plan to 2025 (Housing Policy of the Slovak Republic to 2030) - access to land for municipalities	<p>The amendment to the Act on Land Improvements, Land Ownership Arrangements, Land Authorities, Land Fund and Land Communities allows, among other things, better and more efficient access of local government to land for the purpose of building rental housing.</p> <p>Implemented</p>	<p>Land Adjustment Act, ... and on land communities</p>

Upcoming measures

Measures from the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Establishment of one-stop shops providing counselling to support the integration of foreign nationals as well as citizens from the Slovak Republic when returning from abroad.	As part of the investments aimed at attracting and retaining talent in Slovakia, by the end of 2023 ⁵⁴ three fully operational one-stop shops will be built to provide services facilitating settlement in Slovakia. In 2022, studies have been commissioned to prepare the concept of one-stop shops. The development of the concept, including the relevant legislation, is slightly delayed due to the change of the implementing body from the Ministry of Labour, Social Affairs and Family of the Slovak Republic (MoL) to the Ministry of the Interior of the Slovak Republic (Mol).	Component 10: Investment 1
Measures beyond the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Social agriculture	Among other things, the new legislation will create a legal framework for the institution of social farms, which, as social enterprises, can engage not only in primary production but also in non-productive activities, thus contributing to rural development and the sustainability of jobs. The adoption of a definition of social farms will then make it possible to introduce a system of financial and non-financial support for them.	Act submitted to the MPK
Coordinating public policies to prevent and end homelessness	Creation of a separate entity (organisational component) coordinating policies aimed at preventing and ending homelessness. Creation of action plans for the National Concept for Preventing and Ending Homelessness (submitted to the MPK at the end of 2023) and their subsequent implementation.	Draft National Concept for Preventing and Ending Homelessness

Relevant reference points



Specific recommendations of the Council of the EU for Slovakia (CSR)

- CSR 2019/2: Improve the quality and inclusiveness of education at all levels and foster skills. Enhance access to affordable and quality childcare and long-term care. Promote integration of disadvantaged groups, in particular Roma.
- CSR 2019/3 (Part 8): Increase the use of quality-related and lifecycle cost criteria in public procurement operations.
- CSR 2020/1 (Part 1,2): In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Strengthen the resilience of the health system in the areas of health workforce, critical medical products and infrastructure.
- CSR 2020/2: Provide adequate income replacement, and ensure access to social protection and essential services for all. Strengthen digital skills. Ensure equal access to quality education.
- CSR 2020/3 (Part 3): Front-load mature public investment projects ...

⁵⁴ As part of the RRP update, it is proposed to move the deadline to the end of 2024.

- CSR 2022/2 (Part 1): Proceed with the implementation of its recovery and resilience plan, in line with the milestones and targets included in the Council Implementing Decision of 13 July 2021.



2030 Agenda for Sustainable Development Goals

- Goal 4: Quality education
- Goal 9: Industry, innovation and infrastructure
- Goal 8: Decent work and economic growth
- Goal 16: Peace, justice and strong institutions



European Pillar of Social Rights

- Principle 1: Education, training and life-long learning
- Principle 3: Equal opportunities
- Principle 4: Active support to employment
- Principle 12: Social protection
- Principle 15: Old age income and pensions

3.5 Quality of institutions

The resource efficiency in the economy is largely determined by the quality of institutions in general (the so-called "rules of the game"). Slovakia is still characterised by lower enforceability of property rights, relatively high regulatory barriers for entrepreneurs, inefficiency of the public sector, and, above all, low trust in public institutions. For this reason, one of the objectives of the reform of the judicial map and the related specialisation of judges is to speed up and increase the disposal rate of court proceedings. Streamlining the state's criminal policy has the ambition to introduce greater use of modern European criminal law instruments, which emphasise restorative justice and alternative sentencing. Digitalization and unification of insolvency processes will reduce administrative barriers to business. The adoption of further anti-bureaucratic packages or the simplification of the environmental impact assessment process will also help to reduce the regulatory burden on business. The amendment to the land regulations aims to tighten measures against fragmentation of land ownership. The establishment of shared service centres is intended to improve the performance and strengthen the administrative capacity of public administration at local level.

Outcome indicators for the quality of institutions

		2016	2017	2018	2019	2020	2021	2022	2030 target
Rule of Law	EN	58	64	64	63	57	54	-	49
(WGI, ranking), EU median	EU	37	35	37	37	35	35	-	37
Control of Corruption	EN	79	83	77	81	71	80	-	48
(WGI, ranking), EU median	EU	49	47	55	55	48	49	-	50
PMR index (target for 2028)	EN	-	-	1,52	-	-	-	-	1,30
(Index value)	EU	-	-	1,40	-	-	-	-	1,30

Note: The methodology for setting targets at national and European level can be found in Annex 1.

The reform of the judicial map and the related specialisation of judges should bring faster court proceedings and better quality decisions. In addition to low levels of trust, a long-standing problem of the judiciary is the high degree of fragmentation of the judicial system, which is not conducive to its efficient functioning. It is the change of the judicial map that will achieve the transition of the administration of justice to a smaller number of courts, which will create the conditions for the specialisation of judges. Specialisation of judges is envisaged for criminal, civil, family and commercial cases in the general courts and for administrative cases in the separate administrative judiciary. The necessary legislation related to the reform of the judicial map has already been approved by the National Council of the Slovak Republic with effect from 1 June 2023. The main challenge for the successful implementation of the new judicial map is currently the staffing of the administrative courts⁵⁵.

Digitalization and acceleration of insolvency processes will contribute to reducing administrative barriers to doing business. Compared to EU countries, Slovakia lags behind in the length of time taken to resolve insolvency proceedings and in the rate of satisfaction of creditors' claims. For this reason, a reform of the insolvency framework is also planned under the RRP. In 2022, new legislation came into force⁵⁶, which allows for effective restructuring already at an early stage of the insolvency process in order to prevent bankruptcy and help viable companies to emerge from difficulties. The second part of the legislative changes⁵⁷ under the reform is mainly aimed at introducing a unified and fully digitalised solution to insolvency problems. A so-called insolvency register will be established to serve as a tool for recording, serving and publishing the necessary data and events that occur in individual insolvency and liquidation proceedings.

⁵⁵ Nevertheless, the Ministry of Justice of the Slovak Republic expects the new network of courts to be finally operational from 1 June 2023.

⁵⁶ [Act on the resolution of impending bankruptcy](#), effective from 17 July 2022.

⁵⁷ The MPK on the [draft Law on Bankruptcy and Restructuring](#) has already been completed and its adoption by the National Council is expected in the first half of 2023.

The establishment of shared service centres will contribute to improving the performance and strengthening the administrative capacity of local government. The fragmentation of local government in Slovakia has resulted in small municipalities lacking the staff and professional capacity to provide and deliver administrative services. There is a lack of experts in procurement, assessment activities and project management. Shared service centres will therefore help to bring together the necessary capacity at local level to deliver basic public services. They will function as shared centres serving multiple municipalities on a micro-region basis. The target is to build 22 such centres in the least developed districts by the end of 2024 with RRP funds. A call for proposals is currently being prepared at the Ministry of the Interior of the Slovak Republic, and municipalities should be able to participate in it in the first half of this year.

Adopted measures

Measures from the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Introduction of ex-post evaluation of existing regulations and protection against unjustified goldplating	In June 2022, the Government approved the introduction of ex-post evaluation and protection against unjustified goldplating as part of the amendments to the Unified Methodology for the Assessment of Selected Impacts . The aim of ex-post evaluation is to assess, after a certain period of time, whether the introduced regulations are effective and fit for purpose. The protection against goldplating is intended to prevent the unreasonable extension of obligations beyond minimum requirements when transposing EU legislation into the national legal system. Implemented	Component 14: Reform 1
Approval of the second piece of legislation needed to reform the insolvency framework	In the first quarter of 2023, the second part of the legislative changes aimed at the planned digitalisation of insolvency proceedings will be adopted. The first part of the reform legislation (the Law on the Resolution of Imminent Insolvency) is already in force as of 17 July 2022. Implementation is ongoing	Component 14: Reform 2
Introduction of a new judicial map	A new reorganised network of courts will be put in place, which will speed up and increase the rate of court proceedings. The necessary legislation has already been adopted, but the staffing of administrative courts poses a challenge to the successful implementation of the reform. Implementation is ongoing	Component 15: Reform 1
Optimising crisis management	Policy documents and legislative changes have been adopted to streamline interventions to protect life, health and property. Therefore, in March 2022, the Government of the Slovak Republic approved the Concept for the Development of Civil Protection and the Concept for the Development of the Integrated Rescue System . An amendment to the Integrated Rescue System Act (effective from 1 April 2023) was also approved. Implemented	Component 16: Reform 3

Measures to improve citizens' information on the expected amount of their future pensions from the entire pension system (the so-called orange envelope)	Improving savers' information means providing clear, individualised information on the pension entitlements earned and expected to be earned in old age (from Pillar I and Pillar II combined). The draft amendment submitted to the National Council in February 2023 foresees the introduction of an electronic saver's account containing this information, including a forecast of pension entitlements ⁵⁸ . Implementation is ongoing	Component 18: Reform 1
Measures beyond the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Family business development	Legislatively anchoring and facilitating generational change will contribute to greater clarity, transparency and efficiency in the regulation and support of family business. In December 2022, the National Council approved an amendment to the Social Economy and Social Enterprises Act, which introduces a legislative definition of a family business. At the same time, an action plan for the development of family businesses will be adopted ⁵⁹ , the rapid implementation of which will be an essential tool for the promotion of family business in Slovakia. Implementation is ongoing	Amendment to the Social Economy and Social Enterprises Act
Amendment to the Land Adjustment Act	The aim of the amendment (approved by the National Council in June 2022) is to prevent land ownership fragmentation in Slovakia. Implemented	Amendment to the Land Adjustment Act
Humanisation of detention and sentencing	The legislative changes will lead to the modernisation and humanisation of the legal execution of detention and imprisonment. Particular emphasis will be placed on education and strengthening the availability of contact between prisoners and their families, especially between the child and his or her convicted parent. Two relevant amendments have already entered into force as of 1 January 2023 ⁶⁰ . At the same time, a draft amendment to the Act on the Execution of Sentences has been submitted to the Legislative Council of the Government of the Slovak Republic (LCG SR). Implementation is ongoing	Draft amendment to the Act on the execution of sentences submitted to the LCG SR
Project aimed at developing a system of specialised training for judges and judicial staff	The aim of the project is to improve the efficiency of judicial proceedings by improving the quality of educational activities in the system of training of judges, prosecutors and judicial staff. The project was successfully implemented and completed by 30 November 2022. Implemented	Further description of the project

⁵⁸ The forecast should be sent for the first time in 2026. The content and methodology of the forecast will be determined by a measure of the MoL.

⁵⁹ In 2021, the Ministry of Economy of the Slovak Republic (MoE) submitted to the MPK a [draft action plan for the development of family businesses in Slovakia](#), but so far all the comments raised have not been successfully settled.

⁶⁰ [Amendment to the Act on the Execution of Detention](#) and [amendment to the Decree of the Ministry of the Interior of the Slovak Republic on the Regulation on the Execution of Detention](#).

Upcoming measures

Measures from the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Three packages of measures to reduce administrative burdens on business come into force	Under the three packages, 300 measures will be adopted by the end of 2024, leading to administrative savings for businesses ⁶¹ . The first package was approved by the National Council in June 2022 and the second package is currently being worked on.	Component 14: Reform 1
Introduction of the IT system - Business Register	The modern IT system will enable entrepreneurs and courts to carry out activities related to the business register fully electronically. The project is in the process of implementation ⁶² and currently the public procurement is underway for the selection of the IT system supplier.	Component 15: Investment 2
Strengthening the infrastructure to fight corruption and money laundering	Central Register of Accounts at the MoF will create access to data on financial flows and assets of persons under investigation. A tool (goAML software) for effective financial investigations will be implemented in the Financial Intelligence Unit. The Whistleblower Protection Office will be fully operational and technically equipped.	Component 16: Investment 1
Training of police officers in financial investigations and analytical activities	By the end of 2023, at least 240 police officers will participate in training, workshops and seminars with the participation of foreign and domestic lecturers (CEPOL and EUROPOL).	Component 16: Investment 1
Setting up shared service centres	By the end of 2024, 22 shared service centres will be established to help pool capacity at local level to deliver essential public (social) services. The process of preparing the call is currently underway.	Component 16: Investment 4
Measures beyond the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Speeding up and streamlining the environmental impact assessment process	The new law will streamline environmental impact assessment by linking it to the process of issuing a decision on a construction permit or an integrated permit.	Preliminary information on the draft Environmental Impact Assessment Act
Establishment of an agricultural land use register	The register of land use relations is a temporary solution to the fragmentation and inconsistency of land ownership in Slovakia. It addresses the problem of proving land use relations and should contain data on the land user, the right of use, the land used and its owner or manager. The long-term solution is the land consolidation ⁶³ (planned to be completed within 30 years). The legislative changes will also create a legal framework for the registration of existing and new land use relationships and for the resolution of land use disputes.	Preliminary information on the draft law on the register of usufruct relations to agricultural land

⁶¹ A dedicated IT application (Workflow tool) will be used to collect data and identify individual proposals for action, which will improve the user experience of submitters and processors.

⁶² The project is currently seven months behind schedule due to technical complications and the time-consuming purchase of licenses.

⁶³ Between 1992 and 2021, land consolidation was completed in 12 % and is currently being carried out in a further 4 % of the cadastral territories of the Slovak Republic.

Modernisation of private law - recodification of company law	The aim of the recodification is to increase and simplify the involvement of shareholders in corporate governance, including the digitalization of decision-making processes. At the same time, the new legislation ⁶⁴ should set up effective mechanisms for the protection of stakeholders and bring greater transparency in the identification of end-users of benefits.	Legislative intent of the recodification of company law
Modernising criminal codes and streamlining the state's penal policy	The aim of the amendment to the Criminal Code (submitted to the MPK) is to make a greater use of modern European criminal law instruments in line with the principles of restorative justice ⁶⁵ , and to move towards the depenalisation of selected offences due to disproportionate prison sentences ⁶⁶ .	Draft amendment to the Criminal Code submitted to the MPK
Implementation of a project to build and strengthen alternative dispute resolution through mediation	The main objective of the project is to design and implement alternative dispute resolution tools by the end of 2023, which will relieve the current court system and thus increase the capacity of the courts to deal with court proceedings.	Further description of the project
Implementation of measures to support and optimise family law processes	The aim of the measures within the project of the Ministry of Justice of the Slovak Republic (MoJ) is to introduce and verify the applicability of social innovations in the family law agenda. In 2022, approximately 70 senior court officials were recruited for the purpose of setting appropriate conditions for the family law agenda.	Further description of the project
Adoption of legislative amendments to ensure direct access of the Police Force to specific records of state bodies	In line with the EU Asset Recovery and Confiscation Directive, it is necessary to establish direct online access for the Police Force to specific information systems of state authorities in order to investigate the laundering of the proceeds of crime more effectively.	Directive of the European Parliament and of the Council on asset recovery and confiscation
Implementation of information systems to improve international police cooperation	The information system for international police cooperation (CMS-Case management system) and the information system for searching for stolen documents and vehicles (linking with the INTERPOL database) will be modernised in order to make the exchange of information necessary for the fight against international crime more efficient.	Proposal for a Directive of the European Parliament and of the Council on information exchange between law enforcement authorities of Member States

Relevant reference points



Specific recommendations of the Council of the EU for Slovakia (CSR)

- CSR 2019/3 (Parts 4, 6, 8): Focus investment-related economic policy on ... on digital infrastructure, ... competitiveness of small and medium-sized enterprises, Increase the use of quality-related and lifecycle cost criteria in public procurement operations.
- CSR 2019/4: Continue to improve the effectiveness of the justice system, focussing on strengthening its independence, including on judicial appointments. Increase efforts to detect and prosecute corruption, in particular in large-scale corruption cases.

⁶⁴ Recodification work is currently underway with regard to the drafting of a new section of the Companies Act.

⁶⁵ Restorative justice focuses on repairing the harm caused by the crime and resolving the conflict on a personal level between the offender and the victim.

⁶⁶ The Slovak Republic has [the highest number of prisoners per 100,000 inhabitants](#) among EU countries.

- CSR 2020/4: Ensure effective supervision and enforcement of the anti-money laundering framework. Ensure a favourable business environment and quality public services through enhanced coordination and policy-making. Address the integrity concerns in the justice system.
- CSR 2022/2 (Part 1): Proceed with the implementation of its recovery and resilience plan, in line with the milestones and targets included in the Council Implementing Decision of 13 July 2021.
- CSR 2022/3 (Part 2): Accelerate the deployment of renewables by further facilitating grid access, introducing measures to streamline permitting and administrative procedures, ...



2030 Agenda for Sustainable Development Goals

- Goal 3: Good health and well-being
- Goal 7: Affordable and clean energy
- Goal 9: Industry, innovation and infrastructure
- Goal 11: Sustainable cities and communities
- Goal 16: Peace, justice and strong institutions

3.6 Health care and long-term care

Similarly to developed countries, health spending is growing significantly more than the Slovak economy. However, the performance of the Slovak health system is still lagging behind Western European health systems as well as neighbouring Central European countries. Slovakia has one of the highest mortality rates in the EU from preventable and treatable causes. There is still considerable room for improvement in terms of effective public health policies to reduce premature deaths. Historically, Slovakia has lagged behind other EU countries in investing in health promotion and disease prevention. In order to stabilise the health workforce, the salaries of health workers in inpatient health care are being significantly increased from 2023 and the financial resources for outpatient care are also being increased. To promote the entry of innovative medicines with effect from 2023, an amendment to the medicines legislation has been approved. A key measure to streamline financing in the sector is the continued introduction of the DRG mechanism and the optimisation of the hospital network. At the end of 2022, the Ministry of Health of the Slovak Republic started the implementation of the first phase of categorisation of hospitals. In the health sector, important systemic changes in the regulation of public health insurance are also being introduced from 2023. Under the RRP, the first steps to support general outpatient care in the form of allowances for outpatient clinics have started. To improve health infrastructure, plans for the construction of new hospitals were approved in 2022. In long-term care, attention is being paid to improving the quality of services through the reform of the supervision of service provision, but resources are also being increased for capacity building and more adequate reimbursement of services by health insurers.

Outcome indicators for health

		2016	2017	2018	2019	2020	2021	2022	2030 target
Life expectancy at birth	EN	77,3	77,3	77,4	77,8	77,0	74,8	-	80,6
(Number of years)	EU	80,9	80,9	81	81,3	80,4	80,1	-	82,9
Healthcare-preventable mortality	EN	168,3	173,7	165,3	163,5	-	-	-	119,6
(Number of deaths per 100 thousand inhabitants)	EU	93,2	92,1	-	-	-	-	-	64,5
Preventable mortality	EN	243,8	238,7	241,3	231,1	-	-	-	173,7
(Number of deaths per 100 thousand inhabitants)	EU	162,5	160,0	-	-	-	-	-	119,1
Difference in life expectancy by education	EN	14,9	15,6	-	-	-	-	-	9,6
(Number of years, males aged 25, difference between ISCED 5-8 and ISCED 0-2)	EU	6,3	6,9	-	-	-	-	-	4,3

Note: The methodology for setting targets at national and European level can be found in Annex 1.

The importance of stabilising the number of health workers will also be reflected in a significant increase in their remuneration. Slovakia has a long-standing shortage of health workers, which has been exacerbated by the COVID-19 pandemic. The importance and shortage of workers, especially in the case of nurses, is reflected in the budget. In 2023, the wages of health care workers in the institutional health care will increase by a total of EUR 473 million and there will also be an increase of EUR 283 million in funding for the outpatient sector due to inflation, wage indexation and high energy prices. The increase in the total wage bill in inpatient healthcare will thus be around 25 % year-on-year.

The wages of health care workers in institutional care will rise by 358 million euros above the automatic increase. Thanks to the introduction of coefficients for years of experience, the minimum wage for specialist doctors with several years of experience⁶⁷ will increase from 2.3 to 2.9 times the average wage of two years ago and will continue to be indexed annually. For nurses, this is the second pay rise in five

⁶⁷ A model example of a physician with approximately 16 years of experience.

years. In 2018, the minimum wage for a nurse was 0.81 times the average wage two years ago; in 2023 it will be 1.0 times.

The amendment to the Act on the Scope and Conditions of Reimbursement of Medicines will support innovative treatment in Slovakia. Thanks to the inclusion of medicines, the process of concluding contracts on the terms and conditions of reimbursement of medicines will be streamlined, the mechanism for calculating the threshold for assessing the cost-effectiveness of medicines or the mechanism for determining the conditional reimbursement will be changed. The aim is to eliminate inequalities in patient access to innovative medicines with proven clinical efficacy. The costs associated with bringing innovative medicines to market will be linked to the savings in medicines legislation identified in the updated Health Spending Review⁶⁸.

The Ministry of Health of the Slovak Republic (MoH) is working to finalize the DRG system including fair payments to hospitals so that it can be put into operation in January 2024. Currently, work is underway to finalize the localization of the system and the cost estimation of the selected hospitals for the calculation of the relative rate. However, the actual setting of DRG payments is subject to contractual agreements between health insurers and healthcare providers. The role of the MoH is to set the rules of the system so that it is fair.

As part of the hospital streamlining reform, the first phase of hospital categorisation has been published. The published list contains the minimum number of medical services that hospitals in each category must cover or have expressed an interest in covering from 2024. The patient-centred reform is expected to extend maximum waiting times for a wider range of inpatient healthcare procedures, including time availability of care and quality indicators for individual hospitals. The MoH will publish the results of the second phase of hospital categorisation in the first quarter of 2023.

In the health sector, important systemic changes to public health insurance are also being introduced from 2023. In December 2022, an amendment to the Health Insurance Companies Act was approved, which introduces a maximum allowed profit and minimum health care costs. The amendment also introduces transparency into the process of changing health insurers and better data collection, which should prevent unfair reinsurance of insured persons.

Adopted measures

Measures from the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Optimisation of the hospital network through a legislative change	Hospital network optimization has defined a hierarchy of hospital care providers depending on the complexity of care provided, the range of services and time availability. Mandatory medical services were established for each of the five levels. In addition, the act defined quality indicators, technical equipment requirements, staffing and waiting times. Implemented	Component 11: Reform 1

⁶⁸ [Spending Review Update \(September 2022\)](#).

Prioritised investment plan according to the investment evaluation methodology approved by the MoH	The MoH has separate investment plans according to the source of funding. The MoH did not include the construction and reconstruction of level III to V hospitals, which were prioritised on the basis of a decision of the Government based on a specific methodology taking into account strategic decisions. A methodology has been developed for the evaluation of investments in the health sector, which determines decision criteria drew on financial, medical and indirect benefits, including social and socio-economic benefits. Implemented	Component 11: Reform 2
Amendment of the law on the optimal network of emergency medical services and a new definition of emergency medical care	The legislative changes will introduce a new acute healthcare network and a new definition of urgent healthcare. The new network will guarantee the availability of emergency services within 15 minutes for 90 % of the population. It is geographically and procedurally linked to the new hospital network. Not implemented	Component 11: Reform 4
New law on the creation of a network of general outpatient care providers	The new legislation sets out rules for a minimum network of general outpatient care providers for adults and children and adolescents, to determine the number and distribution of general practitioners and paediatricians based on availability (maximum travel time to see a doctor) and capacity needs (number of general practitioners and paediatricians needed, which is derived from the size and age structure of the insured). Implemented	Component 11: Reform 5
Establishing a financial system to support general outpatient care	The MoH has prepared guidance for applicants for the financial contribution. The list of districts and municipalities eligible for the grant can be found here . Implemented	Component 11: Investment 1
Construction of new hospitals - approval of the plan	The Government has approved the plan for the construction of St. Martin's University Hospital and Rázsochy University Hospital by direct invitation on the basis of a specific manual. A works contract has been signed so far for the Rázsochy University Hospital project, the completion of the final version of the project documentation is currently delayed ⁶⁹ . The MoH has also published a call for funding for Level I and II hospital projects under the RRP. Implementation is ongoing	Component 11: Investment 2
Introduction of provisions on Autism Spectrum Disorder (ASD) centres and psychosocial centres into the current legislation	The definitions of ASD centres and psychosocial centres were reflected in the MoH legislation . Implemented	Component 12: Investment 3-5
Investment plans for community centres and humanization of inpatient psychiatric care beds of the MoH	The MoH has prepared feasibility studies for each type of centre and has also prepared a feasibility study according to the concept of humanisation of beds in inpatient psychiatric care. Implemented	Component 12: Investment 3-5,7

⁶⁹ The status of the implementation of investment projects can be monitored [on the RRP website](#).

Scheme for mental health education grants	Call for a scheme. The scheme will be operated at the MoH and will include specialisation and certification study programmes, continuing education study programmes as well as other educational activities. Implemented	Component 12: Reform 4
New legislative framework for long-term health and palliative care	Adoption of a new legislative framework governing long-term health and palliative care. All implementing regulations are currently being finalised and approved to ensure that the milestone is properly met. Implemented	Component 13: Reform 1
Reform of social supervision care	The entry into force of the Social Care Supervision Act, which created the legal basis for the operation of the new social care supervision/inspection, defined new conditions for quality of care, and expanded the scope of supervision to include supervision of informal home care. In 2023, new inspector posts will be filled and new infrastructure will be provided. Implemented	Component 13: Reform 3
Expanding the capacity of long-term care services	During 2022, calls were announced for expanding the capacity of community-based residential services and low-capacity health and social care facilities, expanding outpatient services, supporting home nursing care and brick-and-mortar and mobile hospices. Further rounds of calls will be launched in 2023 and will be extended to include the creation of new aftercare beds and the expansion and renewal of the capacity of palliative care units. Implemented	Component 13: Investment 1-3
Measures beyond the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Stabilization of the number of staff in inpatient health care	In 2023, the wages of health care workers in inpatient health care will increase by a total of EUR 473 million (of which EUR 358 million will be above the salary floor) and there will also be an increase of EUR 283 million in funding for the outpatient sector due to inflation, wage indexation and high energy prices. The minimum wage for specialist doctors with several years' experience in hospitals will increase from 2.3 to 2.9 times the average wage two years ago, thanks to the introduction of coefficients for years of experience, and will continue to be indexed annually. For hospital nurses, this is the second pay rise in five years. Implemented	
Promotion of innovative treatments by an amendment to the Medicines Act	The inclusion of medicines should make the process of concluding contracts on the conditions for reimbursement of medicines more efficient. It should also change the mechanism for calculating the threshold for assessing the cost-effectiveness of medicines or the mechanism for determining conditional reimbursement. The amendment also reassesses the categorisation of orphans or the entry of generics and biosimilars. Implemented	

DRG system - efficiency of hospital management, fairness of healthcare payments	In cooperation with the EC-funded TSI project, work was carried out on the development of a Slovakian methodology for updating the DRG system. In the first half of 2002, data from hospitals included in the DRG were collected and reviewed. Based on the errors and deficiencies found, 30 hospitals were contacted and asked to submit corrections to the data submitted. From the corrected data, the first Slovak relative weights were calculated to reflect the costliness of different types of hospital cases (DRG groups). Implementation is ongoing	
Streamlining regulations in public health insurance)	In order to streamline regulations in public health insurance, an amendment to the Health Insurance Companies Act was approved in December 2022. The legislation introduces a maximum allowed profit and minimum health care costs. The amendment also introduces transparency into the process of changing health insurance companies and better data collection, which should prevent unfair reinsurance of insured persons. Implemented	
Standard preventive, diagnostic and therapeutic procedures	The main goal is to create new and innovative standard clinical procedures and their implementation into medical practice. The total number of approved standard practices at the end of 2022 is 400. Implemented	

Upcoming measures

Measures from the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Establishment of a central authority for hospital management (centralisation of management of the largest hospitals)	This body will effectively provide the governance structure for the 19 hospitals that will comprise the network of hospitals in the pilot phase. This means that it should: manage, guide and evaluate the planning and performance of the hospitals, such as financial control, compliance, human resources, quality and risk management with links to clinical processes. It also makes recommendations to optimize spending and inventories of drugs and medical devices.	Component 11: Reform 3
Support for general outpatient care clinics - pilot programme	Number of general outpatient clinics with which support contracts will be signed (pilot programme).	Component 11: Investment 1
New hospital network - construction, renovation and technical equipment	Martin University Hospital has announced a tender for a contractor who will also deliver the remaining project documentation (Design & Build). The anticipated contract signing date of May 2023 is unlikely. The Rázsochy Hospital is late with the development of the design documentation and meeting the September 2023 deadline for issuing the tender for the contractor is highly unlikely. The call from the RRP for funding of Tier I and II hospital projects has not yet been evaluated.	Component 11: Investment 2
Staff training in mental health	Of the overall target to provide mental health training for 1,000 health workers, 25 % of the target number will complete training.	Component 12: Reform 4

New concept for financing social services	The concept will introduce a new financing system based on a personal budget for the deprived. In 2023, it will be put forward for public discussion with stakeholders in a first phase.	Component 13: Reform 1
Unification of assessment activities	In 2024, new legislation will come into force that will unify assessment activities, eliminate inefficiency and bureaucracy for medical assessors and assessors by digitising activities. At the same time, new dependency criteria will be defined to make assessment more transparent.	Component 13: Reform 2
Measures beyond the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
DRG system - efficiency of hospital management, fairness of healthcare payments	DRG system setup and cost estimation of selected hospitals for relative rate calculation. Start of sharp operation including fair payments to hospitals could be launched from January 2024.	
Optimisation of the hospital network - the next phase	Completion of the second phase of the categorisation of the hospital network with the aim of streamlining the network of hospitals in Slovakia.	

Relevant reference points



Specific recommendations of the Council of the EU for Slovakia (CSR)

- CSR 2019/1 (Part 2): Safeguard the long-term sustainability of public finances, notably that of the healthcare and pension systems.
- CSR 2019/2 (Part 2): Enhance access to affordable and quality childcare and long-term care.
- CSR 2019/3 (Part 1,5): Focus investment-related economic policy on healthcare, ... energy efficiency ...
- CSR 2020/1 (Part 2,3): Strengthen the resilience of the health system in the areas of health workforce, critical medical products and infrastructure. Improve primary care provision and coordination between types of care.
- CSR 2020/3 (Part 3,4): ... Front-load mature public investment projects and promote private investment to foster the economic recovery.
- CSR 2022/2 (Part 1): Proceed with the implementation of its recovery and resilience plan, in line with the milestones and targets included in the Council Implementing Decision of 13 July 2021.



2030 Agenda for Sustainable Development Goals

- Goal 3: Good health and well-being



European Pillar of Social Rights

- Principle 16: Health care
- Principle 18: Long-term care

3.7 Green transition

Russia's military aggression against Ukraine has created a new geopolitical reality that has radically disrupted the global energy market. EU countries face urgent challenges to urgently reduce dependence on Russian fossil fuels, accelerate the green transition, and at the same time increase the resilience and security of the energy system across the EU. That is why the EC has presented the REPowerEU roadmap, which responds directly to these challenges. Under REPowerEU, Slovakia will focus on increasing energy efficiency and accelerating the transition to renewables by investing in strengthening the electricity grid as well as by simplifying and speeding up permitting processes. The new climate law should bring clarity to the legal climate framework and significantly increase the potential to achieve ambitious climate targets. In response to the long-standing problem of air pollution, the Air Protection Act introduces stricter pollution control and allows for a localised approach to air quality management. Improving landscape water management has the potential to mitigate drought and help restore ecosystems and biodiversity. Investments in increasing the share of environmentally friendly forms of transport support the transition towards sustainable transport, but the extraordinary increase in construction costs and lengthy project preparation put railways at risk of meeting the objectives set in the RRP. Long-term support for alternative propulsion systems by introducing support policies, as well as direct support for building the necessary infrastructure, will significantly contribute to the reduction of CO₂ in transport and the improvement of air quality.

Outcome indicators for green transition

		2016	2017	2018	2019	2020	2021	2022	2030 target
Average concentration of PM2.5 in the air (µg/m ³)	EN	14,7	17,5	16,9	13,8	-	-	-	8,6
	EU	14,6	14,9	14,5	12,6	-	-	-	8,6
Greenhouse gas emissions (Total emissions excluding LULUCF ⁷⁰ , Decrease from 1990, %)	EN	-43,9	-42,5	-42,6	-45,8	-49,6	-	-	-55*
	EU	-21,2	-20,7	-22,4	-25,7	-31,9	-	-	-55*
Percentage of waste recycled (% of municipal waste)	EN	23,0	29,8	36,3	38,5	45,3	48,9	-	60
	EU	45,9	46,3	46,4	47,2	49,2	49,6	-	60
Share of RES (% of gross final energy consumption)	EN	12,0	11,5	11,9	16,9	17,3	17,4	-	19,2**
	EU	18,0	18,4	19,1	19,9	22,1	21,8	-	32**

*Common EU target agreed in the European Green Deal and legally anchored in the [European Climate Change Act](#).

** The target is set on the basis of the [National Energy and Climate Plan and the EU Regulation](#) respectively.

Note: The methodology for setting targets at national and European level is provided in Annex 1.

The main goal of reforms and investments in the prepared REPowerEU⁷¹ national chapter within the framework of the RRP update will be the diversification of energy sources and the shift away from Russian fossil fuels. This will be achieved by increasing energy efficiency and investing in the resilience of the electricity grid to accelerate the transition to renewable energy sources. In addition to the above mentioned objectives, Slovakia plans to include in the REPowerEU chapter measures that will help fight energy poverty, promote low or zero emission transport and accelerate the retraining of the workforce in green and related digital skills. The REPowerEU chapter is currently under preparation and the chapter is expected to be submitted to the EC for consideration in April 2023.

Slovakia's first ever climate law should bring clarity to the legal climate framework and significantly increase the potential for achieving ambitious climate goals, including climate neutrality by 2050 at the latest. Although Slovakia has continuously succeeded in reducing greenhouse gas emissions, the more challenging part of the journey towards climate neutrality is still ahead of the country. The purpose of the draft climate law is therefore to provide effective tools in the fight against climate change and to harmonise the activities of several ministries and relevant actors. A Climate Accountability Council will be established

⁷⁰ Excluding interceptions in the land use and forestry sector.

⁷¹ [REPowerEU: affordable, secure and sustainable energy for Europe](#).

as an independent body to oversee the quality of the strategic documents adopted and their compliance. Financial sanctions are also introduced for ministries that fail to meet the climate targets set in the sectors for which they are responsible. The public will be able to bring a new type of climate action in the event of inaction by public authorities in meeting climate targets. Data collection, evaluation and reporting will also be standardised, including making it easily accessible to the public and functionally linked to climate policymaking.

The aim of the adopted Air Protection Act is to achieve and maintain air quality that does not have a significant negative impact on human health and does not pose a risk to the environment and ecosystems. Slovakia has had a significant air quality problem for a long time and a higher than average number of its inhabitants are exposed to harmful dust particles⁷², which are usually released when solid substances are burned. Permanently elevated concentrations of these small dust particles have been shown to increase the mortality rate of residents from respiratory and cardiovascular diseases⁷³. The new law regulates the monitoring and assessment of air quality and sets permissible levels of air pollution in the country. At the same time, the possibilities for strict control of air pollution and the imposition of sanctions by the state will also be strengthened and significantly increased. Municipalities will be given the power to restrict or prohibit the operation of selected small sources of pollution.

Adopted measures

Measures from the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Electricity market reform	The updated regulatory framework will facilitate new activities and access to the electricity market for companies, while increasing the overall flexibility of the electricity system and improving the possibilities for connecting new renewable sources to the grid. Implemented	Component 1: Reform 2
Adoption of a legal framework to support investment in new renewable energy sources	The reform of the RES support legislation will strengthen the support mechanisms for increasing the share of RES in the transport, electricity and heating sectors. Implemented	Component 1: Reform 3
Alignment of support mechanisms for the renovation of family houses	The implementation plan will map out the different support schemes and harmonise them. The preparation of the plan is currently underway, with first drafts being actively consulted with the EC. Implementation is ongoing	Component 2: Reform 1
Reform of construction waste management	In June 2022, the National Council of the Slovak Republic approved an amendment to the Waste Act that will increase the potential of the circular economy in the construction and demolition waste and construction sector (at least 70 % of construction and demolition waste will be reused or recovered). It also includes, for example, compulsory green public procurement of construction works by public authorities or an increase in legal landfill charges. Implemented	Component 2: Reform 3

⁷² Slovakia is even facing a lawsuit from the EC for inadequate air protection and for exceeding the limit values for PM10 dust particles.

⁷³ The European Environment Agency estimates that around 5 000 people die every year in Slovakia because of air pollution.

Launch of a support scheme to mobilise energy savings and green renovation	Two pilot calls to reduce the energy consumption of family houses have been launched with a total budget of EUR 30 million. After their evaluation, possible adjustments to the schemes will be made and the next round will be launched in the second quarter of 2023. Implemented	Component 2: Investment 1
Adoption of amendments to the Railway Act, including related decrees and regulations	Legislative changes will allow simplification of the requirements for project parameters, which will lead to more efficient solutions, creating conditions for accelerating the pace of line modernisation. A small part of the changes has already been implemented within the amendment to the Railways Act (effective from December 2021). A decisive part of the reform is to be brought about by an amendment to the Decree on the Construction and Technical Regulations of Railways and a further amendment to the Railways Act (both regulations are expected to come into force in the second quarter of 2023). Implementation is ongoing	Component 3: Reform 1
Enactment of legislation resulting into better coordination, integration and management of public transport	The new law will unify public passenger transport standards and streamline the ordering of public transport, which is currently fragmented and poorly coordinated between the state, regions, cities and municipalities. Implementation is ongoing	Component 3: Reform 2
Launch of calls for new support schemes on the basis of the Concept for the Development Intermodal Transport	The Concept for the Development of Intermodal Transport until 2030 (approved by the Slovak Government in April 2022) proposes a basic framework of steps necessary for the systemic development of environmentally friendly modes of freight transport. On the basis of this, calls will be launched for new support schemes aimed at procuring intermodal transport units and launching new intermodal lines. Implementation is ongoing	Component 3: Reform 3
Adoption of a package of measures to promote alternative propulsion systems	The measures will accelerate the development of alternative propulsion systems in the transport sector. This will include, for example, reform of distribution tariffs or measures to simplify and speed up the process of building infrastructure for alternative propulsion systems. Implementation is ongoing	Component 3: Reform 4
Adoption of the Industrial Decarbonisation Scheme	The scheme is based on a transparent bidding principle open to all industries. Support will focus on low-carbon processes and technologies in industry and the adoption of energy efficiency measures. Implemented	Component 4: Reform 2
Reform of landscape planning	The new Landscape Planning Act will improve the protection of existing landscape structures, which make an important contribution to climate change mitigation and adaptation. It will link spatial and landscape planning more closely and give greater support to climate change adaptation in the	Component 5: Reform 1

	landscape outside protected areas. The Act was submitted to the MPK in June 2022.	
	Implementation is ongoing	
List of selected projects for the Muránska Planina and Poloniny regions	On the basis of the call, the final list of projects for the development of high value-added soft tourism in two national parks - Poloniny and Muránska planina was approved. The projects will be Implemented the end of the second quarter of 2026.	Component 5: Investment 1
	Implemented	
Creation of a specialised police unit to detect and investigate environmental crime	Department for Detection of Hazardous Substances and Environmental Crime of the National Centre for Specific Crimes was established at the Presidium of the Police Force on 01 February 2022 and has 201 police officers.	Component 16: Reform 2
	Implemented	
Purchase of new electric and hybrid police vehicles	At least 10 % of the fleet will be renewed with electric and hybrid vehicles. Contracts with suppliers have already been signed and the cars should be delivered in stages during 2023.	Component 16: Investment 2
	Implemented	
Measures beyond the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Commissioning of the third unit of the Mochovce nuclear power plant	The new nuclear unit in Mochovce will cover around 13 % of Slovakia's total electricity consumption, which will make the country energy self-sufficient in terms of electricity production in 2023.	Slovenské elektrárne
	Implemented	
Act on Climate Change and Low Carbon Transformation of the Slovak Republic	The first-ever climate law will help align the achievement of the climate goals of Slovakia and the EU by 2030, including climate neutrality by 2050 at the latest.	Bill submitted to the MPK
	Implementation is ongoing	
Update of the National Energy and Climate Plan (NECP)	By the end of June 2024, the final text of the updated version of the NECP will be agreed in the context of the new objectives of the Fit for 55 package and the REPowerEU initiative. The material is currently being prepared and a draft update of the NECP will be sent to the EC by the end of June 2023.	Current version of the NECP 2021-2030
	Implementation is ongoing	
New air protection law	The new law (approved by the Slovak Parliament in February 2023) aims to reduce the total amount of emissions, improve air quality and limit the amount of emissions directly at the source.	Air Protection Act
	Implemented	
Adoption of a concept for combating environmental illegal activities	The concept aims to bring about a streamlining and modernisation of control and accountability processes, including effective remediation of environmental damage. The document was submitted to the Government on 31 January 2023 with a request for its discussion.	Draft concept submitted to the MPK
	Implementation is ongoing	

Approval of the Roadmap for a Circular Economy	<p>The aim of this strategic material is to support the transition of the Slovak economy to a circular model. The proposed measures will focus on construction, food and bio-waste, economic instruments, sustainable consumption and production. In 2022, a project was successfully completed in cooperation between the Ministry of the Environment (MoEN), the EC and the OECD, the conclusions of which will serve as an analytical basis for the development of a national roadmap for a circular economy.</p> <p>Implementation is ongoing</p>	OECD study
Adoption of the new Water Policy Concept 2030	<p>The main mission of the concept is to ensure the gradual restoration of damaged water bodies, to stop water pollution and groundwater depletion, and to ensure the availability of drinking water in the regions. It defines ten interrelated priority areas and assigns to each of them objectives, measures and a timeframe for their fulfilment.</p> <p>Implemented</p>	Water Policy Concept 2030

Upcoming measures

Measures from the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Construction of new sources of electricity from RES	The target is to build at least 120 MW of new capacity by 2026. In 2022, the MoE announced the first call with an allocation of EUR 39 million for the construction of new renewable energy sources (RES).	Component 1: Investment 1
Modernisation of existing RES electricity sources ("repowering")	Increasing the modernised capacity for electricity production from RES (repowering) by at least 100 MW by 2026. In 2022, the MoE announced calls for the modernisation of hydropower plants (EUR 16 million) and biogas plants (EUR 10 million).	Component 1: Investment 2
Restoration of public historic and listed buildings	At least 117 000 m ² of historic and listed public buildings will be renovated by 2026, with a mandatory minimum 30 % reduction in primary energy demand. In 2022, the Ministry of Transport of the Slovak Republic (MoT) launched a first call with an allocation of EUR 120 million, which will run until the end of 2024 at the latest, followed by a second call for the remaining EUR 120 million.	Component 2: Investment 2
Taking effect of the optimised railway timetable	By 31 December 2023, the MoT will implement the ordering of rail passenger transport services on the basis of the transport service plan in order to strengthen transport on the lines with the greatest potential for transferring passengers from cars to trains.	Component 3: Reform 2
Development of green rail passenger transport infrastructure	As part of the investment in the development of railway infrastructure, it is planned to implement eight projects for the modernisation or reconstruction of railway lines with a total length of at least 69 km	Component 3: Investment 1

	by the end of 2026 ⁷⁴ . One project has already been fully implemented and tenders for the contractors have been launched for the two largest projects. Project preparation is underway for the remaining projects.	
Dispatching of railway lines	By the end of 2026, the dispatching of railway lines with a total length of at least 100 km will be achieved ⁷⁵ . Project preparation is currently underway.	Component 3: Investment 1
Development of cycling infrastructure	At least 200 km of new cycling infrastructure will be in place by 2026. In April 2022, the MoT announced the first call for cycling infrastructure development . The evaluation of the projects is currently underway.	Component 3: Investment 1
Building infrastructure for alternative propulsion systems	The aim is to accelerate the development of alternative-drive passenger and freight transport and the modernisation of the alternative-drive vehicle fleet. In 2023, the announced calls will therefore support the construction of charging points for alternative-drive vehicles.	Component 3: Investment 4
Termination of coal-fired power generation at Nováky power plant	The end of support for electricity generation from domestic coal will lead to the closure of the Nováky thermal power plant, with a corresponding reduction in overall CO ₂ emissions in the Slovak Republic. There will also be a transformation of the Upper Nitra region, which will no longer be dependent on coal mining.	Component 4: Reform 1
Amendment to the Integrated Pollution Prevention and Control Act	The forthcoming changes (submitted to the MPK) will shorten and streamline the permitting processes for integrated plants. Strengthening of staff capacities at the inspection and the creation of a BAT ⁷⁶ centre at the MoEN will improve the possibilities to apply special permit conditions also for the development of green technologies.	Component 4: Reform 3
The operation of the industrial decarbonisation scheme	Projects supported by the Industrial Decarbonisation Scheme will reduce greenhouse gas emissions by at least 1 232 926 tonnes of CO ₂ equivalent by 2026. In November 2022, the first call for industrial decarbonisation under the scheme was launched.	Component 4: Investment 1
Amending the Water Act	The forthcoming amendment will improve water management in the country by creating legal space and capacity in organisations responsible for investments that will improve water regulation and flood protection, mitigate the effects of drought and contribute to the restoration of ecosystems and biodiversity.	Component 5: Reform 2
Training of police officers in environmental crime	At least 200 police officers will be trained to combat environmental crime as part of building the professional capacity of the police force. The measure is in the process of being implemented and the first training sessions have already started.	Component 16: Investment 2

⁷⁴ The feasibility of the original target is significantly threatened by the extraordinary increase in construction costs well above the price level on which the target was based. At present, the resources originally allocated are not sufficient to meet the target. Therefore, as part of the update of the RRP, NIKA proposes to reduce the target by taking into account the significant growth in costs compared to the price level assumed when the RRP was established.

⁷⁵ The lack of readiness (of the necessary scale) of line dispatching projects means that there is a risk of delays in not meeting the target. Therefore, in the framework of the RRP update, NIKA proposes to reduce the allocation and the target by around 20 %.

⁷⁶ Best Available Techniques ("BAT").

Property settlements with private landowners in protected areas	By the end of 2023, at least 14 000 ha of land will be settled. In December 2022, a methodology for property settlement with non-state owners was approved at the level of MoEN. The methodology is currently under consideration by the EC.	Component 5: Investment 1
Revitalisation of watercourses	At least 52 km of watercourses will be revitalised by the end of 2024. The procurement of revitalisation studies is currently underway and a final binding list of streams for revitalisation has been established.	Component 5: Investment 1
Measures beyond the Recovery and Resilience Plan		
Name of the measure	Further description of the measure	Link to further information
Update of the National Biodiversity Strategy and Action Plan (NBSAP) 2030	The aim of the updated NBSAP (expected to be adopted by the Government of the Slovak Republic in 2023) will be to create a coherent set of activities and measures to halt the trend of biodiversity loss and accelerate the transition to a green economy that can use natural resources more efficiently.	Current version of the NBSAP 2011-2020
Reassessment of the extent and method of protection of flood-prone areas	The amendment to the Flood Protection Act will bring clearer delineation and regular updating of the boundaries of floodplains ⁷⁷ and will create a regulatory tool to prohibit new construction and inappropriate activities in these areas.	Current wording of the Flood Protection Act
Revision of payments and charges for water use	In line with the Water Policy Concept, a new system of payments for the provision of water services will be introduced, including charges for pollutants discharged into water, which will allow better enforcement of the polluter-pays principle.	Water Policy Concept 2030

Relevant reference points



Specific recommendations of the Council of the EU for Slovakia (CSR)

- CSR 2019/3 (section 3,5,8): Focus investment-related economic policy on ... transport (notably on its sustainability), ... , energy efficiency, Increase the use of quality-related and lifecycle cost criteria in public procurement operations.
- CSR 2020/3 (sections 5,6,7): Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy and resources, sustainable public transport, and waste management.
- CSR 2022/1 (Part 2): Expand public investment for the green and digital transitions, and for energy security taking into account the REPowerEU initiative, including by making use of the Recovery and Resilience Facility and other Union funds.
- CSR 2022/1 (Part 4): Make the tax mix more efficient and more supportive to inclusive and sustainable growth, including by leveraging the potential of environmental and property taxation.
- CSR 2022/2 (Part 1): Continue to implement its Recovery and Resilience Plan in accordance with the milestones and targets set out in the Council's implementing decision of 13 July 2021.
- CSR 2022/3: Reduce overall reliance on fossil fuels and diversify imports of fossil fuels. Accelerate the deployment of renewables by further facilitating grid access, introducing measures to streamline permitting and administrative procedures and modernising the electricity network. Reduce reliance on natural gas in heating and industry. Adjust renovation policies to accelerate and incentivise deep renovations of buildings.



2030 Agenda for Sustainable Development Goals

- Goal 2: Zero hunger
- Goal 3: Good health and well-being
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption and production

⁷⁷ A floodplain is an area adjacent to a watercourse that is usually inundated by water spilling from the channel during floods.

- Goal 6: Clean water and sanitation
- Goal 7: Affordable and clean energy
- Goal 9: Industry, innovation and infrastructure
- Goal 13: Climate action
- Goal 14: Life below water
- Goal 15: Life on land

4 EU cohesion policy

The EU's cohesion policy is one of the fundamental pillars of the European Union's functioning and one of its main investment instruments. Its aim is to support projects that help to eliminate social and economic disparities in the development of regions, increase their competitiveness and improve the quality of life of all citizens. Financial assistance is primarily used to increase economic growth and reduce social, economic and environmental inequalities between countries and regions. In 2022, the Partnership Agreement for 2021-2027 and the Programme Slovakia were approved by the Slovak Government and the EC, which constitute the basic framework for the disbursement of resources under the fourth programming period.

Programming period 2014 - 2020

Under the 2014-2020 programming period, less than 65 % of the total of almost EUR 17 billion⁷⁸ has been spent by the end of 2022⁷⁹. The total volume of contracted projects reached over 96 % of the total allocation. Measures have been taken to speed up implementation while maintaining transparency and value for money. As requested by the Prime Minister, the monthly contracting and spending plans of the ministries were also requested and submitted in January 2022 and were regularly reviewed on a monthly basis in 2022. In 2022, the contracting plan was about 84 % achieved by the ministries, while the disbursement plan was achieved to a lesser extent (about 62 %).

Table 4: Status of disbursement and contracting of projects as at 31 December 2022

Operational programme	Managing Authority	Allocation from EU sources in million euro	Contract rate in million euro (%)	Implementation in million euro (%)
Human Resources	MoL	2 996,46	3 095,24 (103,3)	2 371,58 (79,15)
Integrated infrastructure	MoT	6 009,9	6 329,8 (105,3)	3 812,86 (63,44)
Environmental quality	MoEN	2 832,5	2 455,7 (86,7)	1 794,85 (63,37)
Integrated regional OP	MoINV	1 935,7	2 065,8 (106,72)	1 042,75 (53,87)
Efficient public administration	MoI	354,6	343,8 (96,9)	285,01 (80,36)
Technical assistance	MoINV	159,07	153,25 (96,3)	148,44 (93,32)
Fisheries	MoA	9,4	3,1 (32)	2,48 (26,46)
Interreg V-A SK-CZ	MoINV	90,1	85,3 (94,7)	63,36 (70,30)
Interreg V-A SK-AT	MoINV	75,9	76,3 (100,6)	49,15 (64,76)
PS INTERACT III	BSK	39,4	39,4 (100)	35,37 (89,8)
Total		14 503,18	14 647,9 (101)	9 605,89 (66,23)
Rural development programme	MoA	2 276,07	1 502,2 (66)	1 269,62 (55,78)
Total		16 779,26	16 150,18 (96,2)	10 875,52 (64,82)

Source: MoF, ITMS, MoA, MoINV

⁷⁸ All operational programmes, including the Rural Development Programme.

⁷⁹ The eligibility to draw funds from the 2014-2020 programming period is until 31 December 2023.

The implementation of standard EU funded projects was negatively affected by the onset of the COVID-19 pandemic, but the uncommitted funds helped to mitigate the effects of the pandemic. In 2020, MoINV, in collaboration with the MoF, prepared a paper⁸⁰ proposing COVID-19 measures, for which over a billion of uncommitted EU funds were allocated⁸¹. Another measure to eliminate the pandemic was the creation of the REACT-EU support system, which increased the total allocation of available resources by EUR 722.25 million. At the end of 2022, over EUR 650 million (90.39 %) of this allocation had been contracted and around EUR 280 million (38.83 %) had been spent.

The current military aggression of the Russian Federation and the resulting migratory flows further increase the negative effects of the pandemic on Slovakia's economy. To address the migration crisis related to the conflict in Ukraine, the EC has adopted a comprehensive aid package called "Flexible Assistance to Territories (FAST-CARE)". The Slovak Republic plans to use the available resources from the EU funds in the amount of more than 300 million euro. The resources will be used for expenditure related to the initial reception of refugees and their integration into society.

Another consequence of the war in Ukraine has been an extreme increase in energy prices. Therefore, over the past year, opportunities have been sought to use EU cohesion policy resources for compensatory measures to help address this challenge. In October 2022, in response to Slovakia's initiative, the EC presented a proposal for a legislative modification called the SAFE initiative, which, with effect from 1 March 2023, will allow the use of the remaining unspent resources from the 2014-2020 programming period (up to a maximum of 10 % of the total allocation of this period). In this context, the Slovak Government approved in December 2022 the material⁸², which defined the provisionally identified allocation earmarked for the SAFE initiative measures in the amount of EUR 1.056 billion. This preliminary allocation is continuously updated, reaching an amount of EUR 1.115 billion as of 16 March 2023. The implementation of this solution creates the preconditions for eliminating the risk of decommitment and reducing the negative impact of compensation measures in the energy sector on the state budget.

Programming period 2021 - 2027

The adoption of the new EU Contributions Act⁸³ will bring a major reduction in bureaucracy as well as a significant change in the public procurement process. The final form of the Cohesion Policy for the period 2021-2027 was preceded by several complex negotiations. These included, for example, how to determine the amount of funding for each EU Member State.

Key strategic documents have been approved to allow the start of disbursement of nearly EUR 13 billion. The selection of priority areas of support from EU funds for the development of the Slovak Republic is detailed in the Partnership Agreement of the Slovak Republic 2021-2027⁸⁴. The objectives of cohesion policy are subsequently achieved through individual programmes. The Programme Slovakia 2021-2027 (PSK)⁸⁵ constitutes the basic implementing document which defines the scope and form of support for a specific thematic area and defines the objectives to be achieved. The key development areas are divided

⁸⁰ [Full text of the material.](#)

⁸¹ Support for maintaining employment: EUR 410.26 million (OP HR), support for the health system EUR 204.30 million (IROP, OP II), support for micro, small and medium-sized enterprises: EUR 330.20 million (OP II), support for the components of the integrated rescue system: EUR 51.00 million (OP KŽP) and other measures to mitigate the impact of COVID-19: EUR 109.30 million (OP HR).

⁸² [The material](#) entitled *Proposal for addressing the impact of the energy crisis through the ESIF resources of the 2014-2020 programming period and the framework for implementation (SAFE-CARE)* was prepared by MoINV in cooperation with the MoF.

⁸³ [The law on contributions from European Union funds](#) is effective from 1 May 2022.

⁸⁴ [The Partnership Agreement of the Slovak Republic 2021-2027](#) was approved by the Slovak Government on 6 April 2022 and officially signed by the EC on 18 July 2022.

⁸⁵ The Government of the Slovak Republic approved the Draft Programme Slovakia 2021 - 2027 on 28 June 2022 and subsequently the [Programme](#) was approved by the European Commission on 22 November 2022.

into five objectives in accordance with European legislation⁸⁶. The specific objective is the Just Transition Fund. The individual specific objectives and activities of the Programme Slovakia are based on the structural challenges identified by the EC and directly address CSR⁸⁷. These are mainly measures in the areas of science, R&D, healthcare, inclusive education, inclusion of the MRC, renewable resources, circular economy and sustainable transport, a suitable environment for the functioning of SMEs, quality of digital infrastructure and conditions for green and digital transition.

The creation of only one operational programme and managing authority (MoINV) is part of the biggest reform of the EU funds in the history of the country. This reform makes it easier and faster to respond to current geopolitical, economic and social challenges. At the same time, it creates the conditions for combining investments from different funds and policy objectives (e.g. in the form of integrated calls). In the end, it brings the expected unification of implementation rules and simplification of work for beneficiaries. In practice, this should mean simpler, faster and more transparent absorption of EU funds without unnecessary bureaucracy.

Coordinating synergies and complementarities across different mechanisms and instruments is key to using EU public resources efficiently and enhancing European added value. Therefore, MoINV in cooperation with the GO have developed a System for the implementation of synergies and complementarities between the Partnership Agreement of the Slovak Republic for 2021-2027, the Programme Slovakia, the RRP and other EU support instruments (Implementation Mechanism)⁸⁸. The contribution of the Implementation Mechanism will be to maximise the efficiency of investments made through EU funds and to eliminate the risk of potential duplications in the financing of operations. In more detail, the individual synergies and complementarities between EU funds, the RRP and other EU support instruments are defined in the synergy table⁸⁹, which was developed by MoINV in cooperation with the GO.

⁸⁶ The objectives are a Greener Slovakia, a More Connected Slovakia, a More Competitive and Smarter Slovakia, a More Social and Inclusive Slovakia and a Europe closer to its citizens.

⁸⁷ The PSK link to the European Semester is published at this [link](#).

⁸⁸ [The draft implementation mechanism that has been submitted to the MPK](#).

⁸⁹ [Full text of the document](#).

5 The institutional framework of the NRP

The NRP provides a summary report on the status of implementation of the measures by which the SR responds to the EU Council's specific recommendations for Slovakia, irrespective of the source of funding for these reforms and related investments. The obligation to prepare and publish the NRP is primarily imposed by European legislation, and secondarily by annual government resolutions. The basic orientation of the measures included in the NRP is also determined by sectoral strategies and a comprehensive approach to priority-setting at national level. The coordinator of the NRP is the MoF, while in the preparation it cooperates closely with the National Implementation and Coordination Authority (NIKA), which, as the responsible authority at the national level, monitors and evaluates the status and results of the implementation of the RRP. Important assistance is also provided by MoINV, which oversees the translation of reform priorities into investment instruments under the EU Cohesion Policy.

The Institute for Financial Policy (IFP), in cooperation with other ministries, identifies sources of growth underperformance in the Slovak economy, reviews them annually and quantifies the impact of selected structural reforms on economic growth. Measures included in the NRP should have a clearly defined target, including a timeframe for implementation. Analytical departments in individual ministries work on the development of such quality reform measures, which are to be aligned with the results of expenditure reviews and specific recommendations of the EU Council.

The ministers primarily involved in the preparation and implementation of the NRP are those responsible for the economic, social, education, health and environmental agendas. The remaining ministers, government plenipotentiaries and representatives of other government bodies are involved in the development of the document in the framework of cooperation in selected areas. Consultations with partners, including the third sector, take place on an ongoing basis throughout the year. At the same time, the NRP is submitted as non-legislative material to the standard inter-ministerial comment procedure, which provides a further opportunity to comment on the proposed text. The process of preparation of the document is completed with the approval by the Government of the Slovak Republic. Financing of the NRP measures will be ensured within the established limits of expenditure and the number of employees of the chapters of the state budget. Important instruments for the implementation of the measures will be the funds from the RRP and EU funds available for the programming period 2021-2027.

At EU level, the NRP is a key part of the European Semester cycle and, alongside the Stability Programme, plays a central role in facilitating collective monitoring and a multilateral debate on policy challenges and how to address them. It maps the status of CSR implementation (from 2019, 2020 2022) and also reports on annual progress in the implementation of the RRP, including the roadmap for the implementation of actions in the following year. From 2022 onwards, it should also monitor progress towards the 2030 Agenda for Sustainable Development goals and the principles of the European Pillar of Social Rights.

Annex 1: Targets and indicators

Methodology for setting European and national targets in 2030

It is appropriate to set targets for the identified key indicators and to regularly assess progress on their achievement. In the past decade, part of the targets were set by the EC in the framework of the Europe 2020 strategy. These targets have been regularly assessed in the NRP as part of the CSR implementation assessment. After 2020, the EC has not yet set any target values for strategic indicators for countries, with certain exceptions (e.g. green targets in energy and environment, employment). However, for economic and fiscal policy setting, it is advisable to set targets, to assess them regularly and to take the necessary corrective measures in due time in case of undesirable deviations from the trajectory to the target.

The targets were first set for the 2022 NRP following the methodology explained in detail in the Reform Compass analytical document⁹⁰. In NRP 2023, these target values are adopted without change⁹¹. The targets set by the methodology are used to compensate for the absence of target values from the EC. The key principle is the combination of ambition and realism, so that in the case of a below average position of Slovakia, the progress of countries with the highest rate of improvement over the past period in a given area is used to set the national target. This means that an ambitious target can be considered achievable. Targets are proposed for a horizon of ten years until 2030.

The calculation first estimates the EU27 average in 2030. Where the EC has set long-term targets for 2030 in strategic indicators, these are used. Otherwise, for the weighted EU27 average, the trend is extrapolated based on the development over the previous decade 2010-2020⁹². Exceptions are indicators with a shorter time series or with a lower reporting frequency (e.g. PISA since 2006, DESI since 2015). In the absence of a weighted average for the EU27, e.g. due to fewer countries entering the calculation, an arithmetic average is used (e.g. PISA). For the indicators that determine a ranking, the values of the indicators for each country are extrapolated and then translated into a ranking.

In the second step, target values are set for the national targets. Three situations are considered. If the latest available figure by 2020 for Slovakia is above the weighted European average, the target is to maintain an above-average position. In this case, the extrapolation for Slovakia replicates the growth for the EU27, taking into account the convergence of the countries by adjusting the resulting value for Slovakia by the share of standard deviations at the first and last time points. At the same time, if there is a national target set by an approved strategic material, this is used instead of extrapolation.

If Slovakia is lagging behind the EU27 average, the national target will be set on the basis of the past performance of the five fastest improving economies in the EU. The average growth of the five fastest improving economies over the last decade is used to set the target for Slovakia, whereby if the European average is reached during the trajectory, further growth follows the average EU27 dynamics⁹³. Using the trend of improvement of the countries with the fastest progress assumes that their experience is transferable to the Slovak context. This can be confirmed, for example, by further analysis of the specific policies

⁹⁰ At the time of preparation of the 2022 NRP, the methodology was subject to the review process for the Reform Compass analytical document. The analysis was approved by the Expert-Methodology Committee and the document was officially published in August 2022. NRP 2023 adopts the methodology approved in this document. A detailed description of the methodology together with data and calculations for each indicator is published on the IFP website.

⁹¹ With the exception of the targets for the SR ranking in the EIS and Private R&D expenditure as a share of GDP. The targets have been revised in light of the approval of the National Strategy for Research, Development and Innovation

⁹² Extrapolation in this case uses a multiple of the average annual improvement in the absolute value of the indicator. This is the absolute improvement in the units in which the indicator is measured, primarily in percentage points.

⁹³ The exception are the indicators in the long-term sustainability of public finances, for which the targets are set by the Constitution (debt) and the recommended value (S2).

implemented by these countries and their possible transferability. This key step in setting national targets combines Slovakia's ambition to improve and catch up with the European average, and at the same time this ambition is offset by the realism of achieving these targets based on concrete data.

The third step is to determine the trajectory of reaching the target by interpolation. While this step is not necessary for the purpose of setting targets in the context of the NRP, it is important for future assessments. At the same time, it is not recommended to update the targets depending on future developments; rather, it is recommended to use the evolution of the values in the indicators to reflect on the success of the policies adopted and implemented.⁹⁴ If the target is achieved, resources and reform efforts can be redirected to areas still showing underperformance. In setting the trajectory, the first year is set to be in line with the expected effectiveness of the implementation of reform measures. At the same time, the ministry in charge of the indicator (possibly in cooperation with other ministries) may propose a justified change in the trajectory, while maintaining the value of the target. The interpolation at this stage is linear from the first year of the expected effectiveness of the implementation of the measures in the area.

Last but not least, it is important to monitor the trajectory of the indicators, i.e. whether they are moving towards or away from the target values. To assess the trend, we take inspiration from the 2030 Agenda methodology and use the method of comparing the trajectory necessary to reach the target (Compound Annual Growth Rate - CAGR_r) with the actual trajectory (CAGR_a)⁹⁵. Then the value of the share (CR) is compared with the traffic light system for a qualitative assessment of the achievement. If the CR value is equal to or greater than 0.95 we speak of significant progress (green), if it sits between 0.5 and 0.95 progress is moderate and acceleration of reform efforts is needed (yellow), if it's below 0.5 and above -0.1 we speak of limited or no progress (orange), and below -0.1 it is a deterioration in the area (red).

Table 5: Overview of the indicators used

		2016	2017	2018	2019	2020	2021	2022	2030 Target	Trend	
Quality of institutions	Rule of Law	SK	58	64	64	63	57	54	-	49	↗
	(WGI, ranking), EU median	EU	37	35	37	37	35	35	-	37	
	Control of Corruption	SK	79	83	77	81	71	80	-	48	↘
	(WGI, ranking), EU median	EU	49	47	55	55	48	49	-	50	
	PMR index (target for 2028)	SK	-	-	1,52	-	-	-	-	1,30	↘
	(Index value)	EU	-	-	1,40	-	-	-	-	1,30	
Productivity	DESI index	SK	*	20	20	21	21	22	23	14	↘
	(ranked out of 27 EU countries)	EU							-		
	European Innovation Scoreboard (EIS)	SK	21	21	22	22	23	23	23	21	↘
	(order)	EU							-		
	Private R&D expenditure	SK	0,40	0,48	0,45	0,45	0,49	0,52	-	1,2	↗
	(% OF GDP)	EU	1,4	1,44	1,46	1,49	1,52	1,5	-	1,73	

⁹⁴ The exception would be later European targets, which would be agreed at national level.

⁹⁵ [Technical manual for measuring SDG progress.](#)

Labour market and social affairs	LFS employment rate	SK	69,8	71,1	72,4	73,4	72,5	74,6	-	76,5	↗
	(LFS, 20-64 years)	EU	70,1	71,3	72,3	73,1	72,2	73,1	-	78,0	
	ESA employment rate	SK	42,7	43,6	44,4	44,8	43,9	43,8	-	47,4	↗
	(ESA, whole population)	EU	45,1	45,8	46,4	46,8	46,1	46,8	-	47,4	
	Percentage of people at risk of poverty or social exclusion	SK	17,1	15,8	15,2	14,8	13,8	15,6	-	13,6	↗
	(after transfers, % of population)	EU	23,7	22,4	21,7	21,1	21,6	21,7	-	17,7	
	Employment rate of women	SK	58,8	59,7	59,6	59,6	57,9	66,4	-	66,8	↗
	(LFS, 20-40 years old)	EU	64,6	65,8	66,6	67,2	66,1	67,4	-	67,9	
	Employment rate of people with low education	SK	35,9	37,3	36,4	36,1	34,0	26,9	-	49,4	↘
	(LFS, ISCED 0- 2)	EU	52,5	53,9	55	55,7	54,8	54,9	-	56,5	
Education	Proportion of children in pre-primary education	SK	73,4	74,9	77,6	77,8	78,1	-	-	94,6	↗
	(from 3 years to the beginning of compulsory primary education)	EU	92,5	92,5	92,3	92,9	93,0	-	-	94,6	
	PISA	SK	-	-	466	-	-	-	-	473	↘
	(grade point average in reading literacy, maths and science)	EU	-	-	484	-	-	-	-	481	
	Percentage of students below basic level in reading	SK	-	-	31,4	-	-	-	-	28,0	↘
	(PISA)	EU	-	-	22,5	-	-	-	-	21,3	
	Early leavers from school and training	SK	7,4	9,3	8,6	8,3	7,6	7,8	-	6,0	↘
	(% in the 18-24 age group)	EU	10,6	10,5	10,5	10,2	9,9	9,7	-	6,0	
	Average ranking of the best university in TOP rankings	SK	651	651	668	784	835	834	784	706	↘
	(average ranking in Times, Shanghai rankings and QS), EU median	EU	384	316	319	336	334	353	356	353	
Housing	Percentage of people participating in adult education	SK	2,9	3,4	4	3,6	2,8	4,8	-	7,0	↗
	(age 25-64; last 4 weeks)	EU	10,3	10,4	10,6	10,8	9,1	10,8	-	10,6	
	Household overcrowding	SK	37,9	36,4	35,5	34,1	30,1	n/a	-	16,5	↗
(% of population)	EU	17,9	17,5	17,1	17,1	17,4	17,0	-	16,5		
Housing costs	SK	29,6	28,5	28,1	28,7	31,0	31,3	-	27,9	↘	
(Share of total final household consumption)	EU	23,8	23,6	23,4	23,4	25,5	25,0	-	23,4		

	Proportion of the population living in rent-controlled or rent-free accommodation	SK	1,6	1,5	1,2	1,4	1,6	n/a	-	4,2	→
	(% of population)	EU	9,7	9,6	9,3	9,1	9,5	9,8	-	6,7	
	Life expectancy at birth	SK	77,3	77,3	77,4	77,8	77,0	74,8	-	80,6	↓
	(Number of years)	EU	80,9	80,9	81	81,3	80,4	80,1	-	82,9	
Health	Healthcare-preventable mortality	SK	168,3	173,7	165,3	163,5	-	-	-	119,6	↗
	(Number of deaths per 100 thousand inhabitants)	EU	93,2	92,1	-	-	-	-	-	64,5	
	Preventable mortality	SK	243,8	238,7	241,3	231,1	-	-	-	173,7	↗
	(Number of deaths per 100 thousand inhabitants)	EU	162,5	160,0	-	-	-	-	-	119,1	
	Difference in life expectancy by education	SK	14,9	15,6	-	-	-	-	-	9,6	↓
	(Number of years, males aged 25, difference between ISCED 5-8 and ISCED 0-2)	EU	6,3	6,9	-	-	-	-	-	4,3	
	Average concentration of PM2.5 in the air	SK	14,7	17,5	16,9	13,8	-	-	-	8,6	↗
	(µg/m3)	EU	14,6	14,9	14,5	12,6	-	-	-	8,6	
Green transition	Greenhouse gas emissions	SK	-43,9	-42,5	-42,6	-45,8	-49,6	-	-	55	↗
	(Total emissions excluding LULUCF, Decrease from 1990, %)	EU	-21,2	-20,7	-22,4	-25,7	-31,9	-	-	55	
	Percentage of waste recycled	SK	23,0	29,8	36,3	38,5	45,3	48,9	-	60	↗
	(% of municipal waste)	EU	45,9	46,3	46,4	47,2	49,2	49,6	-	60	
	Share of RES	SK	12,0	11,5	11,9	16,9	17,3	17,4	-	19,2	↗
	(% of gross final energy consumption)	EU	18,0	18,4	19,1	19,9	22,1	21,8	-	32	
Public finance	Government gross debt	SK	52,3	51,5	49,4	48,0	58,9	62,2	59,7*	40	↓
	(% OF GDP)	EU	84,3	81,7	79,7	77,5	89,8	87,9	86,0*	-	
	S2 - long-term sustainability indicator	SK	2,4	2,4	2,5	3,8	7,7	10,6	9,6*	2	↓
	(value)	EU	2,1	1,9	2,3	2,4	2,4	3,0	3,0*	-	

* preliminary values

Table 6: Description of result indicators

Name of the indicator	Definition and source
Rule of Law	The rule of law reflects the perception of the extent to which individual actors trust and abide by the rules of society; in particular, the quality of contract enforcement, property rights, police and courts, and the likelihood of crime and violence are monitored. Source : http://info.worldbank.org/governance/wgi/
Control of corruption	Control of corruption reflects the perception of the extent to which public power is exercised for private gain, including petty and grand forms of corruption, as well as the "capture" of the state by elites and private interests. Source : http://info.worldbank.org/governance/wgi/
Product Market Regulation Index (PMR)	Country ranking in the Product Market Regulation Index. It measures regulation and barriers in three areas: state control, barriers to business, and barriers to trade and investment (each with a weighting of one-third). The Product Market Regulation Index does not just focus on the business activities of ordinary enterprises, but measures broader regulation (e.g. regulation of network industries). Source : https://www.oecd.org/economy/reform/indicators-of-product-market-regulation/
DESI index	The Digital Economy and Society Index measures progress in five areas – internet connectivity, human capital, use of internet services, integration of digital technologies and digital public services. Source : https://digital-strategy.ec.europa.eu/en/policies/desi
European Innovation Scoreboard	An index assessing the position of countries in a number of areas affecting innovation (human capital, attractiveness of the scientific environment, digitalisation, financing, IT, intellectual assets, etc.) Source : https://ec.europa.eu/info/research-and-innovation/statistics/performance-indicators/european-innovation-scoreboard
Private R&D expenditure	Private R&D expenditure as a percentage of GDP (sum of business R&D expenditure and private non-profit sector R&D expenditure) Source: Eurostat: [rd_e_gerdtot]
LFS employment rate	Employment in the 20-64 age group Source: Eurostat [lfsa_ergan]
ESA employment rate	Total employment (domestic concept) without age limit Source: Eurostat [nama_10_pe]
Percentage of people at risk of poverty or social exclusion	Proportion of the population at risk of poverty (after social transfers) and/or living in severe material and social deprivation and/or in households with very low labour intensity Source: Eurostat [ilc_peps01n]
Employment rate of women	Employment rate for women aged 20-40 Eurostat: [lfsa_egan], [lfsa_pganws]
Employment rate of people with low education	Employment rate of people with primary and lower education aged 20-64 (ISCED 0-2) Source: Eurostat [lfsa_ergaedn]
Proportion of children in pre-primary education	Proportion of children in pre-primary education from 3 years of age to the start of compulsory schooling Source: Eurostat [educ_uoe_enra21]
PISA	An international standardized assessment of the knowledge and skills of 15-year-olds. It assesses students in three areas: mathematics, reading and science. The index is the average of the scores in each domain. Source : https://pisadataexplorer.oecd.org/ide/idepisa/
Percentage of students below the minimum level in reading	Proportion of pupils below basic level (level 2) in PISA reading literacy Source : https://pisadataexplorer.oecd.org/ide/idepisa/
Early leavers from education and training	Proportion of the population aged 18-24 with low educational attainment (ISCED 0, 1, 2, 3C) not in further education or training Source: Eurostat [edat_lfse_14]
Average ranking of the best university in TOP rankings	The average ranking of the best university in the country across the Times, Shanghai and QS rankings Source : https://www.universityrankings.ch/
Percentage of people participating in adult education	Percentage of people in education and training in the last four weeks Source: Eurostat [trng_lfs_01]
Household overcrowding	Percentage of the population living in a crowded household Source: Eurostat [ilc_lvho05a]
Housing costs	Share of housing costs on household final consumption according to national accounts Source: Eurostat [nama_10_co3_p3]

Proportion of the population living in rent-controlled or rent-free accommodation	Proportion of the population living in rent-controlled or rent-free accommodation Source: Eurostat [ilc_lvho02]
Life expectancy at birth	The average number of years that a newly born child will live, assuming that the current mortality rates in each population year are maintained. Source: Eurostat [demo_mlexpecedu]
Healthcare-preventable mortality	The healthcare-preventable mortality rate, or in other words the treatable mortality rate, includes deaths that can be averted by early and effective diagnosis or adequate healthcare intervention and treatment for people up to 75 years of age. Defined as the number of deaths per 100,000 population. Source: Eurostat [hlth_cd_apr]
Preventable mortality	Preventable mortality rates, mainly through effective public health interventions and primary prevention (i.e. before the outbreak of diseases/injuries, to reduce their incidence) for people under 75 years of age. Defined as the number of deaths per 100 000 population. Source: Eurostat [hlth_cd_apr]
Difference in life expectancy by education	Difference in life years between men with the highest level of primary education and men with a university degree at age 25 Source: Eurostat [demo_mlexpecedu]
Average concentration of PM_{2,5} in the air	The indicator measures the population-weighted average annual concentration of particulate matter in urban agglomerations. It is measured in µg/m ³ of air as an average value per year. Fine particles (PM _{2,5}) are those with a diameter of less than 2,5 micrometres. Source: Eurostat [sdg_11_50]
Greenhouse gas emissions	Percentage change in non-ETS GHG emissions (expressed as CO ₂ equivalent) compared to 2005. The indicator captures trends in aggregated anthropogenic emissions of CO ₂ , NO ₂ , CH ₄ , HFCs, PFCs and SF ₆ , collectively referred to as GHGs (expressed as CO ₂ equivalent). The total does not include emissions from the emissions trading and land use and forestry (LULUCF) sectors. Source: Eurostat [env_air_gge]
Percentage of waste recycled	Percentage of municipal waste recycled Source: Eurostat [CEI_WM011]
Share of RES	Share of final energy consumption from renewables (RES) and gross final energy consumption. RES final energy consumption is calculated as the sum of RES gross final electricity consumption, RES gross final energy consumption of energy for heating and cooling and RES final energy consumption of energy for transport. Source: Eurostat [nrg_ind_ren]
General government gross debt	Public sector gross debt as a share of GDP Source: Eurostat [gov_10dd_edpt1]
S2	Indicator S2 measures how much the structural primary balance needs to change permanently (in % of GDP) for the present value of future structural primary balances to cover today's level of debt. Source: Fiscal Sustainability Report 2021

Annex 2: List of abbreviations

AES	Adult Education Survey
AOTP	Active labour market measures
APDN	Action plan to strengthen the integration of the long-term unemployed into the labour market
BSK	Bratislava self-governing region
CAGR	Compound annual growth rate
CEPOL	European Police College
CPP	Counselling and Prevention Centre
CSR	Country Specific Recommendations, EU Council Specific Recommendations for Slovakia
DESI	Digital Economy and Society Index
VAT	Tax identification number
VAT	Value added tax
DRG	Diagnoses related groups, diagnostic groups
ECB	European Central Bank
EDIH	European Digital Innovation Hubs
EIS	European Innovation Scoreboard
EC	European Commission
EPSP	European Pillar of Social Rights
ES	European Community
ESA	European System of National and Regional Accounts
EUROPOL	European Police Office
ESIF	European Structural and Investment Funds
EU	European Union
IFP	Institute for Financial Policy
INTERPOL	International Criminal Police Organization
ISCED	International Standard Classification of Education
ITMS	IT monitoring system
LCG SR	Legislative Council of the Government of the Slovak Republic
LFS	Labour Force Survey
MoT	Ministry of Transport of the Slovak Republic
MoF	Ministry of Finance of the Slovak Republic
MoE	Ministry of Economy of the Slovak Republic
MoINV	Ministry of Investment, Regional Development and Informatization of the Slovak Republic
MPK	Inter-ministerial comment procedure
MoA	Ministry of Agriculture and Rural Development of the Slovak Republic
MoL	Ministry of Labour, Social Affairs and Family of the Slovak Republic
MRC	Marginalised Roma communities
MoJ	Ministry of Justice of the Slovak Republic
MoE	Ministry of Education, Science, Research and Sport of the Slovak Republic
Mol	Ministry of the Interior of the Slovak Republic

MoH	Ministry of Health of the Slovak Republic
MoEN	Ministry of the Environment of the Slovak Republic
NBSAP	National Biodiversity Strategy and Action Plan
NECP	National energy and climate plan
NEET	Not in Education, Employment or Training
NIKA	National implementation and coordination authority
NCIVS	National Concept of Informatization of Public Administration
NPC	No policy change scenario
NRP	National reform programme
NR SR	National Council of the Slovak Republic
NSOV	Lower secondary vocational education
ODP	Period of pension insurance
OECD	Organisation for Economic Co-operation and Development
OP	Operational programme
UN	United Nations
RES	Renewable energy sources
ASD	Autism spectrum disorder
PFS	Financial administration staff
PISA	Programme for International Student Assessment
PMR	Product Market Regulation
RRP	Recovery and Resilience Plan of the Slovak Republic
PSK	Programme Slovakia 2021 - 2027
CBR	Council for Budget Responsibility
SME	Small and medium-sized enterprises
SR	Slovak Republic
SUDV	Centre for the recognition of educational qualifications
SO SR	Statistical Office of the Slovak Republic
GO	Government Office of the of the Slovak Republic
R&D	Research a development
WGI	Worldwide Governance Indicators