

**INNOVATIVE ECONOMY**  
**MODERN ADMINISTRATION**  
**HEALTHY COUNTRY**

Summary of the Recovery and Resilience Plan of Slovakia (April 2021)

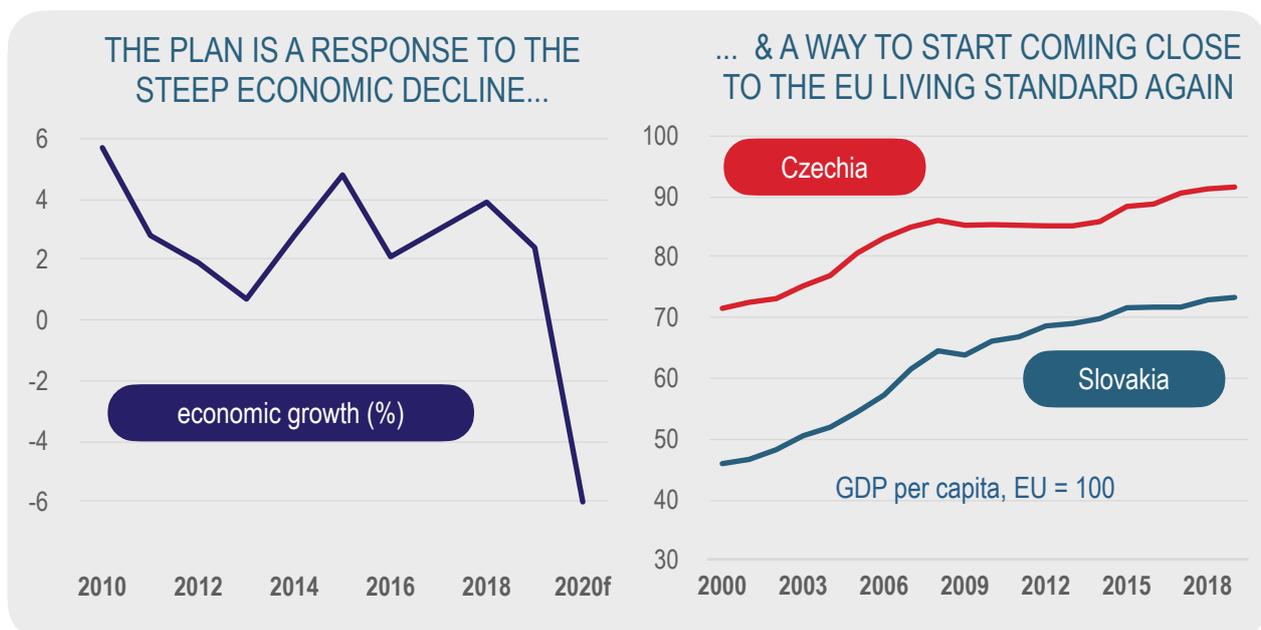


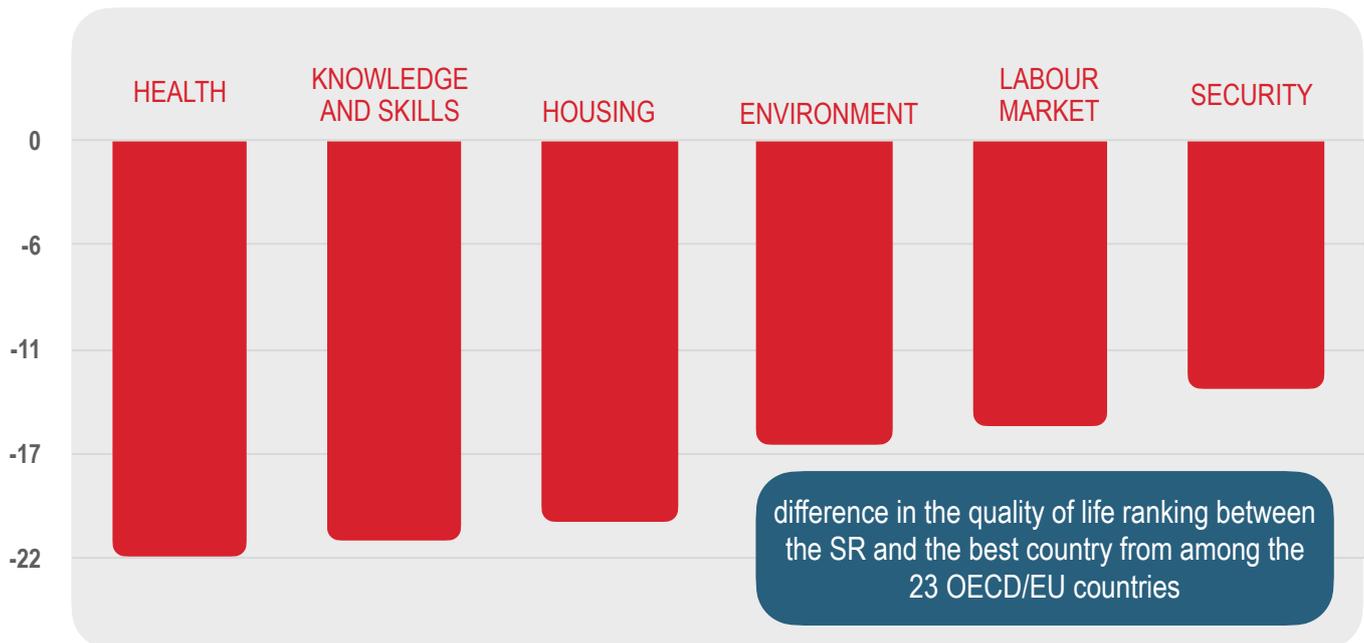
**MINISTRY**  
**OF FINANCE**  
**OF THE SLOVAK REPUBLIC**

**The Recovery and Resilience Plan of the Slovak Republic** is a part of the common response of the EU countries to the steep economic decline as a consequence of the new Coronavirus pandemic. The Slovak economy declined by historical 6.7% in 2020. At the same time, Slovakia must rise to the long-term challenge of avoiding the risk of stagnation of the living standard. A combination of investments, reforms and efficient public policies will allow the country to start coming closer to the average standard of living in the EU again and achieve significant and sustainable improvement in the key areas affecting the quality of life in Slovakia.

**Slovakia has been stagnating in the last decade.** The fast catching up with developed economies seen in 2004 to 2008 is now a history. The cheap labour force and foreign investment based economic model has been exhausted. Slovakia's standard of living is one quarter lower than the EU average. The main areas of lagging behind are healthcare or education. Slovak students present a worse performance, Slovak entrepreneurs face a more complicated regulation and the number of deaths avoidable through better or more efficient treatment is above the EU average.

**The major challenge is resuming the process of catching up with the developed EU countries.** The Recovery Plan measures are a combination of reforms and investments. Slovakia has committed itself to adopt tens of key reforms improving the quality of life by 2026. They include solutions arising from the long-standing recommendations of the European Commission: pension system reform; inclusion in the pre-primary education; curricular reform of education; transformation of the hospital network; science and research management reform; and reforms reducing emissions and improving the environment. The Slovak Government has made a commitment to increase the standard of living to 92% of the EU average by 2030 (the current level is 73% of GDP per capita).

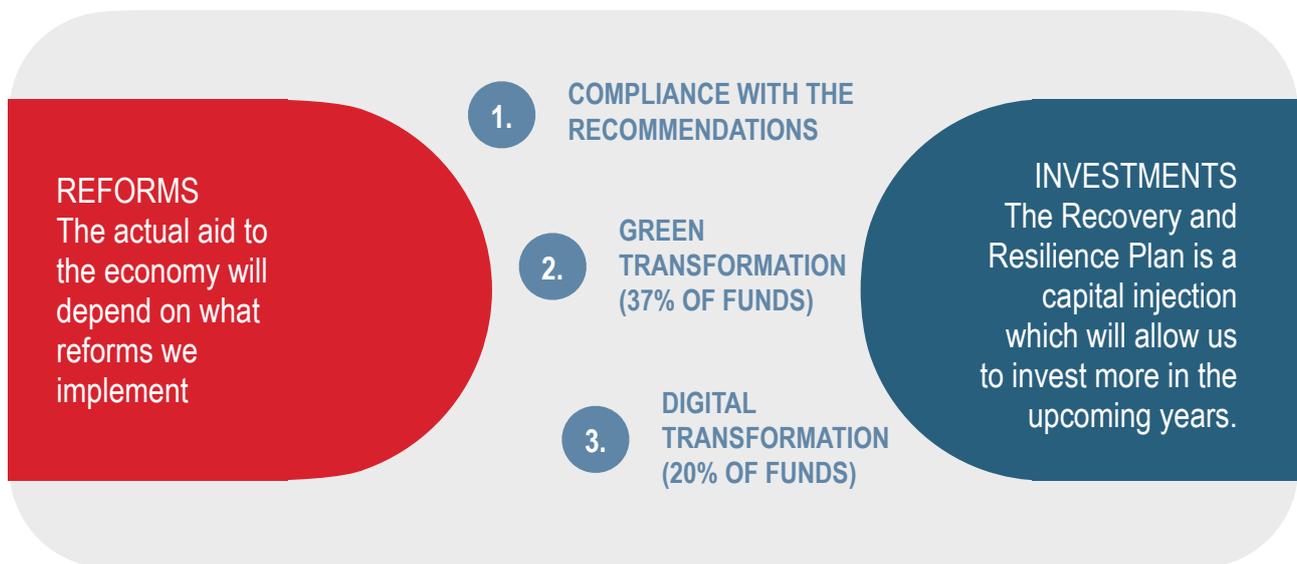




**The measures of the Recovery and Resilience Plan are built on three pillars.** They respond both to the immediate consequences of the crisis and the systemic deficiencies of the Slovak economy. By leveraging all the three pillars, the Recovery and Resilience Plan may significantly contribute to re-starting a rapid and sustainable economic growth and the quality of life.

- ✓ **Innovative economy** is the driver of a sustainable growth of the standard of living based on investments in science and research and the utilisation of new knowledge and technologies in all aspects of life. In addition to supporting convergence towards more developed countries, an innovative economy improves labour productivity growth and thus mitigates the negative effects of demographic changes and allows employees to acquire sufficient skills and know-how to be able to respond to the current changes in the labour market, such as automation and digitalisation.
- ✓ **A modern administration** which efficiently protects the rights and interests of its citizens, relentlessly counters corruption and crime, and provides high-quality public services in line with the value-for-money principle is an essential precondition for high-quality life and innovative business environment. The Recovery Plan is a way to resolve the transformation debt separating this ideal from the actual reality.
- ✓ **A healthy country** provides conditions for a comprehensive use of the human and natural potential during the entire life and across generations. Besides economic growth which creates the essential material conditions and resources, the health of people, public space and the environment are an integral part of the quality of life.

**The Recovery and Resilience Plan is a capital injection** which will allow the country to invest more in the upcoming years (an amount one quarter higher every year compared with what is invested now). To recover Slovakia, we must make use of every single Euro very efficiently and quickly. However, the actual support for the economy and long-term growth will depend on the reforms Slovakia will implement along with the investments. The Recovery Plan will pay for our buildings, networks and cables. But the teaching or treatment methods to be employed in those buildings will depend on good political decisions supported by high-quality analyses.



**The reforms foreseen in the Recovery Plan will influence Slovakia's economic performance** over a long term. The effects will reach at least 5.3% of GDP by 2040. The reforms with the major benefits will be those in the education system and in the science, research and innovation area. The total of reforms focused on human capital will yield around three quarters of the economic benefits. The remaining quarter will be derived from the other measures, particularly the reforms aiming to establish a non-corruptive, foreseeable and competitive business environment and support a stable investment growth and the small and medium-sized business sector. With investments from the Recovery Facility, the Slovak economy will recover faster and create around 30 thousand jobs by 2026.

Slovakia may draw nearly **€ 6 billion** of the Recovery and Resilience Plan.  
 Also, there are additional **€ 8 billion** of not-yet-drawn EU funds  
 and other **€ 13 billion** of the new programming period.  
 Public investment from domestic funds will reach **€ 21 billion** by 2026.

The target areas of reforms and investment are those where major economic issues and key social challenges need to be tackled. They were selected on the basis of a comparison of our results with the EU average and with due regard to the common EU priorities. Education, science, research and innovation, and health are the areas in which Slovakia lags most and the European Commission has reiterated the necessity of increasing the reform efforts there. Efficient public administration and digitisation are important factors bearing on the business environment and the quality of life. Green economy will support environmental sustainability as well as the quality of life and help develop green innovations as one of the sources of economic growth.

AREA	COMPONENT	RESOURCES <sup>1</sup>	TOTAL
GREEN ECONOMY	Renewable energy sources and energy infrastructure	€ 232 million	€ 2 301 million
	Building renovation	€ 741 million	
	Sustainable transport	€ 801 million	
	Decarbonisation of industry	€ 368 million	
	Climate change adaptation	€ 159 million	
EDUCATION	Availability, development and quality of inclusive education	€ 210 million	€ 892 million
	Education for the 21st century	€ 469 million	
	Improvement of universities' performance	€ 213 million	
SCIENCE, RESEARCH, INNOVATION	Effective management, higher financing for science, research, innovation and digital economy	€ 633 million	€ 739 million
	Attraction and retention of talents	€ 106 million	
HEALTH	Modern and accessible healthcare	€ 1,163 million	€ 1 533 million
	Mental healthcare	€ 105 million	
	Long-term care	€ 265 million	
EFFECTIVE PUBLIC ADMINISTRATION	Improved business environment	€ 11 million	€ 1 110 million
	Judicial system reform	€ 255 million	
	Anti-corruption and anti-money laundering measures, safety and security of inhabitants	€ 229 million	
	Digital Slovakia	€ 615 million	
	Sound public finance	–	

<sup>1</sup> The amounts are based on current prices; final investments may differ from the estimated expenditures

**Sound public finance is a necessary precondition** for attaining a positive effect of the investments, reforms and measures to be implemented under the Recovery and Resilience Plan. Long-lasting sustainability of finances of the state and other public administration entities will be supported by a series of major reforms focused on strengthening the economic growth, addressing the effects of demographic development, improving economic efficiency and ensuring the social benefits of public expenditure.

### PENSION SYSTEM REFORM

Long-term sustainability of the system and higher pensions from privately managed accounts will be ensured. Transparent information about vested pensions will be made available (regular statements and an annual independent evaluation report) **Q4 2022**

### BUDGET RESPONSIBILITY REFORM

Multi-year spending ceilings and functioning medium-term budgeting will be implemented. The programme budgeting will reflect the value-for-money principles. Majority of public expenditures will be subject to reviews. **Q2 2022**

### EFFECTIVE PUBLIC FINANCE MANAGEMENT

Only profitable and well-prepared projects will be financed. A pool of priority investment projects will be created, analytical units responsible for analysis-based investment plans of priorities of the Ministries will be expanded and the project preparation simplified. **Q4 2021**

### PRO-GROWTH TAX MIX

The tax system will be less burdening to economic activity and more focused on the taxation of consumption, property and negative externalities, and more successful collection.

COMPONENT	REFORMS	INVESTMENTS
<b>Renewable energy sources and energy networks</b> (€ 232 million)	<p><b>Q4 2020</b> Reform of the energy efficiency legal framework</p> <p><b>Q4 2022</b> Reform of electrical energy sector legal regulation</p> <p><b>Q4 2022</b> Reform of the legal framework for the renewables promotion</p>	<ul style="list-style-type: none"> <li>✓ Construction of renewable energy generation facilities</li> <li>✓ Modernisation of existing renewable energy generation facilities</li> <li>✓ Higher integration of renewable energy sources</li> </ul>
<b>Green building renovation</b> (€ 741 million)	<p><b>Q2 2022</b> Reform of construction waste management</p> <p><b>Q3 2022</b> Reform to align the supporting mechanisms provided by multiple Ministries</p> <p><b>Q4 2023</b> Improvement of the decisions made by monument boards; documentation of monuments</p>	<ul style="list-style-type: none"> <li>✓ Improvement of the energy efficiency of family houses</li> <li>✓ Energy renovation of historical and listed buildings</li> </ul>
<b>Sustainable transport</b> (€ 801 million)	<p><b>Q2 2021</b> Public investment plan for transport</p> <p><b>Q4 2022</b> Reform of public passenger transport</p> <p><b>Q4 2022</b> Reform of intermodal freight transport</p> <p><b>Q4 2022</b> new policies for the long-term promotion of alternative fuels in the transport sector</p>	<ul style="list-style-type: none"> <li>✓ Investment in low carbon railway infrastructure</li> <li>✓ Support for ecological public transport</li> <li>✓ Support for inter-modal transport</li> <li>✓ Building of charging points for electric vehicles and hydrogen filling stations</li> </ul>
<b>Decarbonisation of industry</b> (€ 368 million)	<p><b>Q4 2023</b> Phase out of the coal-fired powerplant in Nováky and transformation of the Upper Nitra region</p> <p><b>Q4 2023</b> Integrated environmental pollution prevention and control</p> <p><b>Q4 2025</b> Cost-efficient reduction of greenhouse gas emissions in industry</p>	<ul style="list-style-type: none"> <li>✓ Reduction of greenhouse gas emissions in industry</li> <li>✓ Ensuring the functioning of the processes of the Slovak Inspectorate of the Environment linked to the decarbonisation</li> </ul>
<b>Climate change adaptation</b> (€159 million)	<p><b>Q4 2022</b> Landscape planning reform, pollution prevention</p> <p><b>Q4 2023</b> Reform of natural protection and landscape water management</p>	<ul style="list-style-type: none"> <li>✓ Renaturation of watercourses and wetlands</li> <li>✓ Extension of non-intervention area</li> <li>✓ Soft tourism development plans in 2 national parks</li> </ul>

COMPONENT	REFORMS	INVESTMENTS
<p><b>Availability, development and quality of inclusive education</b> (€ 210 million)</p>	<p><b>Q4 2022</b> Compensatory measures to mitigate the impact of the pandemic in education</p> <p><b>Q1 2023</b> Counseling and prevention system reform, systematic data collection in the field of mental health support</p> <p><b>Q2 2025</b> Help to struggling learners who are at risk of early school leaving</p> <p><b>Q3 2025</b> Support of desegregation at schools</p> <p><b>Q4 2025</b> Implementation of mandatory pre-primary education from five years and of a legal entitlement to place in kindergarten from three years</p>	<ul style="list-style-type: none"> <li>✓ Increase of the capacity of kindergartens</li> <li>✓ Removal of barriers in school facilities at all education levels</li> </ul>
<p><b>Education for the 21<sup>st</sup> century</b> (€ 469 million)</p>	<p><b>Q1 2023</b> Reform of the education curricula and textbooks</p> <p><b>Q3 2023</b> Preparation of teachers for the new curricula and teaching methods</p>	<ul style="list-style-type: none"> <li>✓ Digital equipment of schools, internet access, textbooks and equipment for distance learning</li> <li>✓ Development of the school infrastructure</li> </ul>
<p><b>Improvement of the universities' performance</b> (€ 213 million)</p>	<p><b>Q4 2021</b> University governance reform</p> <p><b>Q4 2022</b> Introduction of scientific research system assessments</p> <p><b>Q4 2022</b> Introduction of a new approach to the accreditation of university programmes</p> <p><b>Q4 2023</b> Change in university funding, performance contracts</p> <p><b>Q2 2026</b> Concentration of excellent education and research capacities to facilitate the way to TOP 500</p>	<ul style="list-style-type: none"> <li>✓ Digital renovation and modernization of school and dormitory buildings, new teaching facilities, elimination of barriers, thermal insulation, investment support in the strategic development of universities</li> </ul>

COMPONENT	REFORMS	INVESTMENTS
<p><b>More effective management and science, research and innovation reform</b> (€ 633 million)</p>	<p><b>Q4 2021</b> Reform of the organisation and financing of non-business research institutions, the Slovak Academy of Sciences in particular</p> <p><b>Q4 2023</b> Reform of governance, evaluation and support of science, research and innovation</p> <ul style="list-style-type: none"> <li>– setting-up a professional management team (Secretary of the Government Council for Science, Technology and Innovation)</li> <li>– consolidating support agencies</li> <li>– preparing a strategy and uniform procedures for the selection of best projects (transparent selection of committee members, objective and public project evaluations, involvement of international experts)</li> <li>– applying the value-for-money approach</li> </ul>	<ul style="list-style-type: none"> <li>✓ Financial instruments to support innovation</li> <li>✓ Support for international cooperation and participation in Horizon Europe and European Institute of Innovation and Technology projects</li> <li>✓ Support for innovation in the private sector and cooperation with academic sector, research and development organisations</li> <li>✓ Research and innovation for the decarbonisation and digitalisation of the economy</li> <li>✓ IT support for a unified grant system for research and development</li> </ul>
<p><b>Attracting and retaining talents</b> (€ 106 million)</p>	<p><b>Q1 2022</b> Simplification of the residence and labor legislation</p> <p><b>Q1 2022</b> Simplification of the qualification recognition (for the pursuit of a regulated profession)</p>	<ul style="list-style-type: none"> <li>✓ Strengthening of relationships with the diaspora; supporting civic initiative</li> <li>✓ Scholarships to talented domestic and foreign students</li> <li>✓ Support tools and assistance for returnees and highly qualified employees from third countries and their family members and foreign university students studying in Slovakia</li> <li>✓ Internationalisation of the academic milieu</li> </ul>

COMPONENT	REFORMS	INVESTMENTS
<b>Modern and accessible healthcare</b> (€ 1,163 million)	<p><b>Q2 2021</b> Reform of preparation of investment projects for healthcare</p> <p><b>Q2 2022</b> Optimisation of the acute health care network and a new definition of urgent health care</p> <p><b>Q2 2022</b> Reform of the provision of universal care for adults, children and adolescents</p> <p><b>Q2 2025</b> Centralised management of major hospitals</p> <p><b>Q4 2025</b> Optimisation of the hospital network in Slovakia</p>	<ul style="list-style-type: none"> <li>✓ New network hospitals - construction, renovation and equipment</li> <li>✓ Digitalisation in healthcare</li> <li>✓ Transfer and renovation of facilities, vehicle fleet renewal and promotion of telemedicine services of the emergency medical service</li> <li>✓ Support for new general practitioner's clinics in locations where they are lacking</li> </ul>
<b>Mental health care</b> (€ 105 million)	<p><b>Q1 2021</b> Development of the most under-developed areas: preparation of concepts of treating mental diseases, investment plans</p> <p><b>Q4 2021</b> Modernisation of diagnostic methods and treatment procedures</p> <p><b>Q4 2022</b> Modernisation of the healthcare personnel training system</p> <p><b>Q2 2025</b> Coordinated inter-ministerial cooperation and regulation</p>	<ul style="list-style-type: none"> <li>✓ Building of detention and community facilities</li> <li>✓ Renewal of material and technical equipment</li> <li>✓ Modernisation of diagnostic methods</li> <li>✓ Humanisation of institutional care wards</li> <li>✓ Personnel education and training</li> <li>✓ National mental health support hotline</li> </ul>
<b>Long-term care</b> (€ 265 million)	<p><b>Q1 2024</b> Reform of the medical review system</p> <p><b>Q1 2024</b> Reform of the social care oversight</p> <p><b>Q4 2025</b> Integration and change of the financing of long-term social and health care</p>	<ul style="list-style-type: none"> <li>✓ Extension and renovation of community social care, follow-up healthcare, nursing care and palliative care facilities</li> <li>✓ Building of social care oversight infrastructure</li> </ul>

COMPONENT	REFORMS	INVESTMENTS
<b>Improvement of the business environment</b> (€ 11 million)	<p><b>Q1 2022</b> Reduction of the regulatory burden (1 in - 2 out rule)</p> <p><b>Q1 2022</b> Reform of the public procurement system</p> <p><b>Q3 2022</b> Unification and digitalisation of the insolvency procedure process</p>	<ul style="list-style-type: none"> <li>✓ Improvement of the professional standard of public procurement</li> <li>✓ Digitisation of insolvency proceedings</li> </ul>
<b>Judicial system reform</b> (€ 255 million)	<p><b>Q3 2021</b> Setting up of the Supreme Administrative Court of SR</p> <p><b>Q3 2021</b> Introduction of criminal offences of bending the law and feeding; improvement of property seizure efficiency</p> <p><b>Q4 2021</b> Court map reform to promote the specialisation of judges</p>	<ul style="list-style-type: none"> <li>✓ Investments in court buildings and reorganisation of courts</li> <li>✓ Digitalisation, modernisation of IT equipment and analytical capacities of courts</li> </ul>
<b>Anti-corruption action</b> (€ 229 million)	<p><b>Q1 2022</b> New instruments to support financial investigations</p> <p><b>Q4 2021</b> Modernisation and building of the Police Force's expert capacities</p> <p><b>Q4 2022</b> Optimisation of crisis situation management</p>	<ul style="list-style-type: none"> <li>✓ Central Register of Accounts</li> <li>✓ Capacity building, modernisation and equipment of the Police Force</li> <li>✓ Integrated Fire and Rescue System and modernisation of fire stations</li> <li>✓ Strengthening of administrative capacities at the local government level</li> </ul>
<b>Digital Slovakia</b> (€ 615 million)	<p><b>Q1 2023</b> Strategy and uniform procedures for digital skills support</p> <p><b>Q4 2023</b> Central management of the state's IT resources</p> <p><b>Q4 2025</b> Technical and process solutions standardization for cyber security</p> <p><b>Q2 2026</b> Education and strengthening of competences in cyber security</p>	<ul style="list-style-type: none"> <li>✓ Digital transformation of public administration services</li> <li>✓ Strengthening preventive measures, increasing the speed of detection and resolution of security incidents</li> <li>✓ Support for projects focused on top digital technologies</li> <li>✓ Tablets for seniors</li> </ul>

	Court map reform	Q4 2021
	University governance reform	Q4 2021
	Modernisation of the Police Force	Q4 2021
	Public research institutions reform	Q4 2021
	Construction waste management reform	Q2 2022
	Improved efficiency of anti-corruption and anti-money laundering measures	Q2 2022
	Reform of family house building support	Q3 2022
	Public passenger transport reform	Q4 2022
	Pension system reform	Q4 2022
	Curricular reform of education	Q1 2023
	Public procurement reform	Q2 2023
	Mandatory education from 5 years of age Entitlement to place in kindergarten from 3 years of age	Q4 2025
	Optimisation of the hospital network	Q4 2025

	100% of schools digitally equipped	Q4 2024
	153 new primary care outpatient clinics	Q2 2025
	252 barrierless major secondary-level schools	Q2 2025
	55 modernised rescue service station facilities	Q2 2025
	27 000 hectares of non-intervention areas	Q4 2025
	12 352 new places in kindergartens	Q4 2025
	Modernised hospitals with a capacity of at least 2 666 beds	Q4 2025
	69 km of modernised railway track sections	Q2 2026
	30 000 family houses renovated	Q2 2026
	At least 90 km of restored water courses	Q2 2026
	262 647 m <sup>2</sup> of reconstructed areas at university and dormitory facilities	Q2 2026
	100 km of digitally controlled railway tracks	Q2 2026
	200 km of new paths for cyclists	Q2 2026