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COMMISSION IMPLEMENTING DECISION

of 22.7.2022

**on the authorisation of the disbursement of the first instalment of the non-repayable
support for Slovakia**

(Only the Slovak text is authentic)

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility¹, and in particular Article 24(5) thereof,

Whereas:

- (1) According to Article 4(2) of Regulation (EU) 2021/241, the specific objective of the Recovery and Resilience Facility is to provide Member States with financial support with a view to achieving the milestones and targets of reforms and investments as set out in their recovery and resilience plans.

Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Slovakia² (the ‘Council Implementing Decision’) provides that the Union is to release instalments in accordance with the Financing Agreement conditional on a decision by the Commission, taken in accordance with Article 24(5) of Regulation (EU) 2021/241, that Slovakia has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the recovery and resilience plan.

- (2) On 29 April 2022, Slovakia submitted a request for payment, accompanied by a management declaration and a summary of audits. The request concerned the first instalment of the non-repayable support. Pursuant to Article 24(3) of Regulation (EU) 2021/241, the Commission assessed on a preliminary basis whether the relevant milestones set out in the Council Implementing Decision had been satisfactorily fulfilled. For the purpose of this assessment, the operational arrangements concluded between the Commission and Slovakia³ in accordance with Article 20(6) of Regulation (EU) 2021/241, were taken into account.
- (3) The Commission made a positive preliminary assessment of the satisfactory fulfilment of all 14 relevant milestones related to the non-repayable support and, in accordance with Article 24(4) of Regulation (EU) 2021/241, provided its findings to the Economic and Financial Committee asking for its opinion on the satisfactory fulfilment of the relevant milestones. In accordance with Article 25(4) of that Regulation, the

¹ OJ L 57, 18.2.2021, p. 17.

² ST 10156 2021; ST 10156/21 ADD 1, not yet published.

³ Recovery and Resilience Facility Operational arrangements between the European Commission and Slovakia, entered into force on 16 December 2021.

Commission provided the competent committee of the European Parliament with an overview of its preliminary findings concerning the satisfactory fulfilment of the relevant milestones. The Economic and Financial Committee agreed with the Commission's positive preliminary assessment and was of the opinion that Slovakia has satisfactorily fulfilled all the milestones associated with the payment request. The Commission has taken the opinion of the Economic and Financial Committee into account for its assessment.

- (4) Section 2(1)(1.1) of the Annex to the Council Implementing Decision provides the relevant milestones that are to be satisfactorily fulfilled for the first instalment of the non-repayable support for an amount of EUR 458 277 000.
- (5) Milestone 1.2 provides for the joint public declaration by the Ministry of Economy and the Slovak electricity transmission system operator Slovenská elektrizačná prenosová sústava, a.s (SEPS) on the lifting of restrictions on technical capacity for electricity transmission within the Slovak electricity system. This milestone is the first part of a reform aiming in particular at enabling the connection of new renewable energy sources to the grid. Slovakia provided an electronic copy of the joint public declaration by the Ministry of Economy and Slovenská elektrizačná prenosová sústava, a.s., taking effect on 5 April 2021. Slovakia also provided evidence confirming the increase in net transfer capacity on transmission interconnections with the Republic of Hungary. The evidence demonstrates that the content and objectives of the joint public declaration are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (6) Milestone 3.1 provides for the publication of the investment plan for railway infrastructure projects, containing a methodology, the priorities and a timetable for railway construction projects. Through this reform, Slovakia aims to increase the efficiency of the process for the construction of railway infrastructure, in particular by providing a framework that allows to prioritise railway infrastructure projects with a higher value for money, and to accelerate the average timeline for the preparation of projects. Slovakia provided a copy of the priorities for rail infrastructure renewal and development. Slovakia also provided a copy of the investment plan with the timeline for preparation and construction of railway infrastructure projects. This evidence demonstrates that the content and objectives of the investment plan are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (7) Milestone 3.2 provides for the publication of a methodology for selecting, preparing and implementing projects for cycling. The objective of the reform is to improve the management of transport investment projects and increase their economic benefits, contributing to the objective of achieving a passenger modal shift from individual road transport to cycling. Slovakia provided a copy of the published methodology for the assessment, evaluation and prioritisation of cycling infrastructure projects. Slovakia also provided a document detailing the cost-benefit analysis underpinning the methodology for cycling projects, as well as the quality criteria for future tenders. The evidence provided demonstrates that the content and objectives of the methodology are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (8) Milestone 8.6 provides for the entry into force of the amendment to Act 131/2002 on higher education. With the overarching objective to strengthen the governance

framework of higher education institutions, the reform aims to reallocate responsibilities for management and academic decisions between rector, senate and board of directors to better reflect their role in the education system while maintaining 'check and balance' provisions in the framework to preserve autonomy and independence of the higher education institutions. The reform allows for higher education institutions to decide on their internal structure, which provides for more flexibility and enables professors and lecturers from abroad and professionals without a scientific degree to apply for tenures. Slovakia provided a copy of the publication in the Official Journal of Act 137/2022 amending Act 131/2002 on Higher Education Institutions, as well as references to the relevant provisions indicating the entry into force of Act 137/2022. The evidence demonstrates that the entry into force of the legislative act and the content and the objective of the act are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (9) Milestone 8.7 provides for the approval of a roadmap for bundling at least two universities into larger units. The objective of the reform is to increase synergies in excellent educational and research capacity. Through this reform, Slovakia aims at consolidating the research capacity of the Slovak universities and at improving their collaboration with business. Slovakia provided a copy of the roadmap for the merger of two universities in Trnava, approved by the Ministry of Education, Science Research and Sport on 26 April 2022, and published on the ministerial website. Together with this roadmap Slovakia provided an investment plan supporting the bundling process. The investment plan consists of projects to be financed from the Recovery and Resilience Facility and other resources. The evidence provided demonstrates that the content and objectives of the roadmap are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (10) Milestone 9.3 provides for the transformation of the Slovak Academy of Sciences into a public research organisation, in order to enable multi-source funding and enhanced cooperation with the private sector. The reform allows the Slovak Academy of Sciences to engage in commercial relations regarding research, development and innovation (RDI) with full protection of intellectual property rights and financial gains owned by the Academy. The reform will enhance the cooperation of the Slovak Academy of Science with businesses to pursue joint projects and promote research and technology transfer. Slovakia provided a copy of the publication of the amendments to the two main legislative acts, namely Act 133/2002 on the Slovak Academy of Sciences and Act 243/2017 on public research institutions, published in the Official Journal in 2021, as well as references to the relevant provisions indicating their entry into force. The evidence demonstrates that the entry into force of the legislative acts and their content and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (11) Milestone 10.8 provides for the adoption of the Strategy for Internationalisation of Higher Education 2030 by the government. This milestone is part of a measure that aims at enhancing the quality of higher education through internationalisation, increasing the availability of higher education and international experience during higher education studies, and modernising higher education in the context of internationalisation. Slovakia provided a copy of the Government Resolution, adopted on 8 December 2021, approving the Strategy for the Internationalisation of Higher

Education 2030. Slovakia also provided the text of the Strategy for the Internationalisation of Higher Education 2030 as an attachment to the Resolution. The evidence demonstrates that the content and objectives of the Strategy for the Internationalisation of Higher Education 2030 are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (12) Milestone 15.1 provides for the entry into force of legislation defining a new judicial map. The reform aims to improve the efficiency and quality of the judiciary by reorganising and streamlining the system of courts, thereby allowing for a greater specialisation of judges. The new, reorganised network comprises first instance administrative and ordinary (district) courts (including municipal courts), appeal (regional) courts, and a Supreme Administrative Court. Slovakia provided copies of the publication in the Official Journal of Acts 150/2022 and 151/2022 and Constitutional Act 422/2020. Slovakia also provided an overview of the new court network and an explanatory document on the subject matter jurisdiction of the courts composing the new court network. The entry into force of acts 150/2022 and 151/2022 defining the new system of courts in accordance with the Council Implementing Decision is 1 June 2022, while most provisions regarding district/municipal and regional courts, including the start of their operations, enter into force on 1 January 2023, in line with a second milestone for this reform. The evidence provided demonstrates that the entry into force of the legislative acts and the content and objectives of the acts are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (13) Milestone 15.5 provides for the entry into force of a package of legislative changes to fight corruption and strengthen the integrity and independence of the judiciary. It focuses on changing the election rules for a number of judicial bodies, modifying the rules on the exercise of the judicial profession, amending procedures for the election of the Prosecutor General and the Special Prosecutor, granting the Judicial Council more competences, and establishing the disciplinary rules for the Supreme Administrative Court. Moreover, it comprises measures to ensure more effective supervision and enforcement of the anti-money laundering framework, and to detect and prosecute corruption. All acts have entered into force as stipulated in the milestone. Slovakia provided copies of the publication in the Official Journal of Act 312/2020 on the Management of Frozen Assets, also amending the criminal code (Act 300/2005), of Act 423/2020 on Judicial Reform, of Act 241/2020 amending Act 153/2001 on the Public Prosecutor's Office, of Act 432/2021 on the disciplinary rules for the Supreme Administrative Court, and of Constitutional Act 422/2020. Slovakia also provided explanations regarding safeguards and guarantees for judicial independence. The evidence provided demonstrates that the entry into force of the legislative acts and the content and objectives of the acts are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (14) Milestone 16.14 provides for the entry into force of the Recovery and Resilience Facility Act, which aims at strengthening administrative capacity both at local and national level for implementing the reforms and investments of the Slovak recovery and resilience plan. The Act identifies, among others, the various responsibilities, the coordination mechanisms, and the financial rules for the implementation of the Slovak recovery and resilience plan. Slovakia provided a copy of the publication in the

Official Journal of Act 368/2021 on the Mechanism for the Support of Recovery and Resilience and on the Amendment of Certain Acts. In addition, Slovakia provided links to the approved version of the Act by the National Council of the Slovak Republic and the published version of the Recovery and Resilience Facility Act in the Official Journal. The evidence demonstrates that the entry into force of the legislative act and the content and objectives of the act are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (15) Milestone 16.15 provides for the establishment of the repository system for the recovery and resilience plan in view of gathering information for monitoring the implementation of the recovery and resilience plan. The overarching objective of this milestone is to increase the administrative capacity for implementing the reforms and investments of the Slovak recovery and resilience plan. To this end, it provides for the establishment of a repository system for recording and storing all relevant data related to the implementation of the recovery and resilience plan. Slovakia provided a copy of the Partial Audit Report from the Slovak Audit body, signed on 23 December 2021, and a copy of the Final Audit Report from the Slovak Audit body, signed on 28 April 2022. Slovakia also provided a user guide for the repository system, and updated data extracted from the repository system as of 11 May 2022 and as of 25 May 2022. The evidence submitted by the Slovak authorities and gathered during the Commission audit demonstrates that the functionalities of the repository system are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (16) Milestone 16.4 provides for organisational changes in the police force in order to increase its capacity in the detection and handling of crime and corruption. The reorganisation aims at creating a unit for detecting and investigating environmental crime (centre and regions), extending the analytical capacity of the police force to the regional level, and establishing a new unit for crime technology services (centre and regions). Slovakia provided the approved organisational structure that entered into force on 1 February 2022 and the revised mandate of the police force indicating newly created units for detecting and investigating environmental crime, analytical units and criminal technology services. Slovakia also provided a new staffing plan with the identification of personnel in place by 1 February 2022 and the targets to be reached in the longer term through internal reshuffling and recruitment. The evidence provided demonstrates that the content and objectives of the organisational change of the police force are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (17) Milestone 17.23 provides for the adoption and approval of the National Concept for Informatisation of Public Administration by the Ministry of Investment, Regional Development and Informatisation. The reform allows for updating applicable cybersecurity requirements and increasing standardisation of solutions for all entities of the public administration. Slovakia provided a copy of the National Concept for Informatisation of Public Administration, as adopted by the Ministry of Investment, Regional Development and Informatisation. In addition, Slovakia provided a copy of the Government Resolution No. 763/2021, adopted on 14 December 2021, approving the National Concept for Informatisation of Public Administration. The evidence provided demonstrates that the content and objectives of the National Concept for Informatisation of Public Administration are in line with the requirements of the

milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (18) Milestone 18.2 provides for the entry into force of the amendment to the law on budgetary rules, in order to enhance fiscal discipline for improving medium- and long-term fiscal sustainability. To this end, Slovakia has introduced binding multi-annual expenditure ceilings as a key tool to improve budgetary planning and to pursue better counter-cyclical fiscal policy. The new expenditure ceilings are linked to planned structural balances that are linked to sustainability objectives. The Slovak authorities are already implementing the new framework in the Stability Programme for the period of 2022-2025. Slovakia provided a copy of the publication of the amended Act 523/2004 on budgetary rules in the Official Journal, year 2022. Slovakia also provided the Stability Programme of the Slovak Republic 2022-2025, and the methodology on expenditure ceilings agreed between the Ministry of Finance and the Council for Budgetary Responsibility. The evidence provided demonstrates that the entry into force of the legislative act and the content and objectives of the act are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (19) Following the fully positive assessment concerning the Slovak Republic's payment request, in accordance with Article 24(5) of Regulation (EU) 2021/241, the disbursement of the financial contribution for the first instalment of the non-repayable support should be authorised.
- (20) In accordance with Article 2(3) of the Council Implementing Decision, as specified in the Financing Agreement, the pre-financing of the financial contribution shall be cleared by being proportionally deducted against the payment of the instalments. As Slovakia received 13% of the financial contribution as pre-financing, an amount of EUR 59 576 010 of the payment should be utilised to clear the pre-financing, equal to 13% of the instalment.
- (21) This Decision should be without prejudice to procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty on the Functioning of the European Union. It does not override the requirement for Member States to implement the measures in accordance with Union and national law and, in particular, to notify instances of potential State aid to the Commission under Article 108 of the Treaty on the Functioning of the European Union.
- (22) The measures provided for in this Decision are in accordance with the opinion of the Committee established by Article 35(1) of Regulation (EU) 2021/241,

HAS ADOPTED THIS DECISION:

Article 1

Authorisation of the disbursement of the non-repayable support

The disbursement of the first instalment of the non-repayable support as laid down in Section 2(1)(1.1) of the Annex to the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Slovakia for an amount of EUR 458 277 000 is authorised.

In accordance with the Financing Agreement concluded pursuant to Article 23(1) of Regulation (EU) 2021/241 between the Commission and the Slovak Republic, EUR 59 576 010 shall be utilised to clear the pre-financing of the financial contribution and EUR 398 700

990 shall be provided to Slovakia by means of payment to the bank account indicated in the Financing Agreement.

Article 2
Addressee

This Decision is addressed to the Slovak Republic.

Done at Brussels, 22.7.2022

For the Commission
Paolo GENTILONI
Member of the Commission