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Proposal for a

COUNCIL IMPLEMENTING DECISION

on the approval of the assessment of the recovery and resilience plan for Slovakia

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THE COUNCIL OF THE EUROPEAN UNION,

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 Facility[1] and in particular Article 20 thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) The COVID-19 outbreak has had a disruptive impact on the economy of Slovakia. In 2019, the gross domestic product per capita (GDP per capita) of Slovakia was 55% of the EU average. According to the Commission's 2021 Spring forecast, the real GDP of Slovakia declined by 4,8% in 2020 and is expected to decline by 0,2% cumulatively in 2020 and 2021. Longer-standing aspects with an impact on medium-term economic performance include in particular the concentration of economic activity in traditional manufacturing with low rates of innovation and value added amid skill gaps; moreover, a high regulatory burden and shortcomings in public administration and the justice system hamper private investments.

(2) On 9 July 2019 and on 20 July 2020, the Council addressed recommendations to Slovakia in the context of the European Semester. In particular, the Council recommended to take measures to support the economic recovery while safeguarding long-term fiscal sustainability; to strengthen the resilience of the healthcare system; to improve the quality and inclusiveness of education at all levels and foster skills; to focus economic policy on investment into the digital and green transition and other areas, taking into account regional disparities; to improve the effectiveness and integrity of the justice system, fighting corruption and money laundering, and to ensure quality public services and a favourable business environment. Having assessed progress in the implementation of these country-specific recommendations at the time of submission of the recovery and resilience plan, the Commission finds that substantial progress has been achieved with respect to the recommendations on taking all necessary measures to effectively address the pandemic and on providing adequate income replacement.

[1] OJ L 57, 18.2.2021, p. 17-75.

(3) [The Council recommendation on the economic policy of the euro area recommended to euro area Member States to take action, including through their recovery and resilience plans, to, inter alia, ensure a policy stance which supports the recovery and to further improve convergence, resilience and sustainable and inclusive growth. The Council recommendation also recommended to strengthen national institutional frameworks, to ensure macro-financial stability and to complete EMU and strengthen the international role of the euro.] [If the Council recommendation is not adopted by the time of the CID adoption, the recital will be removed].

(4) On 29 April 2021, Slovakia submitted its national recovery and resilience plan to the Commission, in accordance with Article 18(1) of Regulation (EU) 2021/241. That submission followed a consultation process, conducted in accordance with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders. The national ownership of the recovery and resilience plans is underpinning their successful implementation and lasting impact at national level and credibility at European level. Pursuant to Article 19 of that Regulation, the Commission has assessed the relevance, effectiveness, efficiency and coherence of recovery and resilience plan, in accordance with the assessment guidelines of Annex V to that Regulation.

(5) The recovery and resilience plans should pursue the general objectives of the Recovery and Resilience Facility established by Regulation (EU) 2021/241 and of the EU Recovery Instrument set up by Council Regulation (EU) 2020/2094[2] in order to support the recovery in the aftermath of the COVID-19 crisis, as well as to promote the Union´s economic, social and territorial cohesion by contributing to the six pillars referred to in Article 3 of Regulation (EU) 2021/241.

(6) The implementation of the Member States' recovery and resilience plans will constitute a coordinated effort of investment and reforms across the Union. Through the coordinated and simultaneous implementation of these reforms and investments and the implementation of cross-border projects, these reforms and investments will mutually reinforce each other and generate positive spillovers across the whole Union. Therefore, about one third of the impact of the Facility on Member States' growth and job creation will come from spillovers from others Member States.

Balanced response contributing to the six pillars

(7) In accordance with Article 19(3), point (a) and section 2.1 of Annex V to Regulation (EU) 2021/241, the recovery and resilience plan represents to a large extent (Rating A) a comprehensive and adequately balanced response to the economic and social situation, thereby contributing appropriately to all six pillars referred to in Article 3 of Regulation (EU) 2021/241, taking the specific challenges and the financial allocation of the Member State concerned into account.

(8) The plan puts forward a balanced set of reforms and investments addressing both the consequences of the COVID-19 pandemic and the main structural socio-economic and environmental challenges affecting Slovakia, pursuing cohesion objectives and contributing towards all of the six pillars referred to in Article 3 of Regulation (EU)

[2] Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis (OJ L 433I , 22.12.2020, p. 23).

2021/241. It presents a wide set of measures for an innovative economy, supporting economic growth notably through investing in the twin green and digital transitions, including by investing in education and skills. The overarching objective is to achieve sustainable growth and a forward-looking transformation of the Slovak economy and society, thereby increasing the quality of life. The plan focuses on five key policy areas: green economy, education, science and innovation, health, and public administration and digitalisation. For all five key areas, the plan makes an explicit and coherent explanation of how they contribute to the six pillars. Such an approach contributes to ensuring that each pillar is comprehensively addressed.

(9) The green transition and digital transformation of the economy are at the core of the plan’s design. The green reforms and investments included in the plan aim at increasing renewable energy sources and their integration into the grid, improving energy and green performance of buildings, increasing the share of sustainable transport modes and decarbonising industrial processes, thus contributing to the objectives of climate change mitigation and reduction of air pollution. Important reforms and investments are envisaged to increase the resilience of the landscape and ecosystems to climate change with an emphasis on revitalisation of water courses. Digital reforms and investments should help to modernise Slovakia, supporting areas with the largest investment gaps. Those include, in particular, digitalisation of public services and schools, development of digital skills and support to innovation.

(10) The plan presents well-targeted policy actions relevant for smart, sustainable and inclusive growth. Innovation potential and productivity growth are expected to be boosted through measures to improve the research, development and innovation ecosystem, business environment, the quality and relevance of higher education as well as educational outcomes, including the school curricular reform and better preparation of teachers. Small and medium-sized enterprises should benefit from the strong demand impulse triggered by the investments supported by the plan as well as from the targeted assistance to innovate and digitalise. The plan identifies the right socio-economic challenges for social and territorial cohesion, and includes relevant actions to address them. It aims particularly at strengthening the inclusion in education of children with special educational needs and children with disadvantaged socio-economic backgrounds, including the Roma population. Cohesion concerns and regional disparities are addressed through the ambitious reform of hospital care, as well as through digitalisation measures for public administration. The plan is also expected to improve health and economic, social and institutional resilience. In the area of healthcare, the plan presents a comprehensive set of reforms and investments aimed at improving the resilience, efficiency, accessibility and quality of the Slovak healthcare system. The investments primarily focus on hospital care, long-term care, mental health and primary care. Investments into early warning systems and infrastructure can be expected to improve crisis response capacity. The pension reform is expected to make Slovakia less vulnerable to sustainability risks. Policies for the next generation are in particular covered by the comprehensive package of measures aiming at improving education at all levels, from early childhood education and care to higher education.

Addressing all or a significant subset of challenges identified in Country Specific Recommendations

(11) In accordance with Article 19(3), point (b) and section 2.2 of Annex V to Regulation (EU) 2021/241, the recovery and resilience plan is expected to contribute to

effectively addressing all or a significant subset of challenges (Rating A) identified in the relevant country-specific recommendations, including fiscal aspects thereof, addressed to the Member State concerned or challenges identified in other relevant documents officially adopted by the Commission in the context of the European Semester.

(12) The recommendations related to the immediate fiscal policy response to the pandemic can be considered as falling outside the scope of Slovakia’s RRP, notwithstanding the fact that Slovakia has generally responded adequately and sufficiently to the immediate need to support the economy through fiscal means in 2020 and 2021, in line with the provisions of the General Escape Clause. Moreover, the recommendation to achieve the medium-term budgetary objective in 2020 is no longer relevant, due both to the lapsing of the corresponding budgetary period and the activation in March 2020 of the General Escape Clause of the Stability and Growth Pact in the context of the pandemic crisis.

(13) The plan includes an extensive set of mutually reinforcing reforms and investments that contribute to effectively addressing all or a significant subset of the economic and social challenges outlined in the country-specific recommendations addressed to Slovakia by the Council in the European Semester in 2019 and in 2020, notably on inclusive education, public governance and productivity-enhancing investment into the green and digital transition, as well as its contribution to decreasing regional divergences.

(14) The challenge of accelerating the green and digital transition is tackled adequately by the set of measures included in Slovakia’s recovery and resilience plan. Long-standing challenges in the area of education, childcare, health care, as well as research, development and innovation are also addressed with comprehensive measures that are expected to tackle the most serious shortcomings, such as the low quality and inclusiveness of education, fragmented research, development and innovation policy coordination, insufficient public-private cooperation, and weak research, development and innovation performance. Additional measures proposed in the plan to improve the justice system, public procurement and the fight against money laundering have the potential to contribute to effectively addressing many of the underlying challenges. Several reforms are moreover expected to improve the long-term sustainability of public finances.

Contribution to growth potential, job creation and economic, social and institutional resilience

(15) In accordance with Article 19(3), point (c) and section 2.3 of Annex V to Regulation (EU) 2021/241, the recovery and resilience plan is expected to have a high impact (Rating A) on strengthening the growth potential, job creation, and economic, social and institutional resilience of Slovakia, contributing to the implementation of the European Pillar of Social Rights, including through the promotion of policies for children and youth, and on mitigating the economic and social impact of the COVID-19 crisis, thereby enhancing the economic, social and territorial cohesion and convergence within the Union.

(16) Simulations by the Commission show that the plan has the potential to increase the GDP of Slovakia by between 1,3% and 1,8% on average during the period of 2021-

2026[3]. The implementation of the recovery and resilience plan is expected to contribute significantly to economic growth and job creation in Slovakia. The investments included in the plan should provide a boost to aggregate demand in the short to medium term, improving the cyclical position of the Slovak economy, and thereby mitigating the adverse economic effects of the COVID-19 crisis. The focus of investments on construction and renovation projects, in full compliance with the DNSH principle, is particularly beneficial in this respect, given how hard the Slovak construction sector has been hit by the pandemic.

(17) In the medium to long run, investments together with the planned reforms are expected to help addressing the current challenges to growth potential, and facilitate the country's transition to a more diversified economic model with stronger focus on higher value-added activities. This should help the Slovak economy to remain competitive, resilient and adapt to the industrial trends of automation and digital change. Implementing the recovery and resilience plan is therefore expected to raise potential output and to have a lasting impact on the economic performance of Slovakia. Most of this long-run effect stems from measures encouraging research, development and innovation activities, such as the governance reform of research and development and innovation, improving both coordination and funding. It also stems from improving human capital and the size and skill composition of the labour force by extending pre-primary education, reforming the school curriculum, and improving the quality and relevance of higher education, aiming to raise productivity in Slovakia.

(18) The plan is expected to reduce social inequalities and territorial disparities within the country. Eastern and Central Slovakia tend to perform significantly worse than the western part of the country, in terms of various interconnected labour market and social indicators, such as the share of high skilled workers, long-term and youth unemployment, and enrolment rate of children in pre-school facilities. Challenges concerning inequalities in education are expected to be addressed by the reform of school curricula fostering key competences and digital skills, and establishing the system of educational supportive measures. As students' educational outcomes are strongly determined by their socio-economic background, reforms targeted at improving the accessibility and quality of early childhood education and care, enhancing the consulting services, curbing segregation and eliminating the two-shift classes at schools are included in the plan. These reforms are expected to reduce early school leaving, in particular among the disadvantaged students, thereby contributing to enhancing social mobility and equality of opportunities. The comprehensive reforms and investments in higher education are expected to improve its quality and relevance by changing the governance, financing, accreditation and scientific evaluation systems. The development of formal long-term care services together with kindergartens should alleviate the disproportionate burden on families, especially on women caring for dependants and enable them to participate in the labour market. These policies are in line with the principles of the European Pillar of Social Rights.

(19) The wider availability of mental health care is in line with the strategy of de-institutionalisation. In addition, the focus on home-based and community-based provision of the long-term care services, reinforcing of palliative care and addressing

[3] Such simulations reflect the overall impact of NGEU, which also includes funding for ReactEU, and increased funding for Horizon, InvestEU, JTF, Rural Development and RescEU. Such simulation does not include the possible positive impact of structural reforms, which can be substantial.

the fragmented governance of that sector are important steps on the way to promote access to affordable and quality long-term care services. The modernisation of the hospital network should help increase quality and cost-effectiveness of health services, while improving their accessibility in less developed regions as well. This should also be achieved through investments aimed at improving the accessibility of primary care services in underserved regions. Infrastructure investments related to green transition, in particular a buildings renovation programme, should create new job opportunities in the construction sector across Slovakia, including for low-skilled workers.

Do no significant harm

(20) In accordance with Article 19(3), point (d) and section 2.4 of Annex V to Regulation (EU) 2021/241, the recovery and resilience plan is expected to ensure that no measure (Rating A) for the implementation of reforms and investments projects included in the recovery and resilience plan does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council[4] (the principle of 'do no significant harm').

(21) Slovakia has conducted a complete 'do no significant harm' assessment of all measures included in the plan following the "do no significant harm" technical guidance of the European Commission (2021/C 58/01). The potential harmful environmental impact of all relevant measures is addressed through appropriate assurances and mitigating measures ensured through the monitoring arrangements. These mitigating measures are reflected in milestones and targets applicable to industry decarbonisation, building renovations, including boiler replacement, hydropower, biomass use, RDI investment schemes and financial instruments to support innovation.

Contribution to the green transition including biodiversity

(22) In accordance with Article 19(3), point (e) and section 2.5 of Annex V to Regulation (EU) 2021/241, the recovery and resilience plan contains measures that contribute to a large extent (Rating A) to the green transition, including biodiversity, or to addressing the challenges resulting therefrom. The measures supporting climate objectives account for an amount which represents 43% of the plan's total allocation calculated in accordance with the methodology of Annex VI to Regulation (EU) 2021/241. In accordance with Article 17 Regulation (EU) 2021/241, the recovery and resilience plan is consistent with the information included in the National Energy and Climate Plan 2030.

(23) Reforms and investments in renewable energy sources, aimed notably at improving the access of renewables to the grid, along with an ambitious programme of building renovations based on high energy efficiency standards as well as the industry decarbonisation scheme, are expected to help Slovakia achieve its 2030 decarbonisation objectives and to support the transition to the circular economy. A comprehensive package of reforms and investments in transport should support electro-mobility, public transport of passengers and intermodal transport of goods.

[4] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

This is expected to boost the overall mobility ecosystem, which should benefit the Slovak economy.

(24) Reforms and investments related to landscape planning, nature protection and water management are expected to help address the challenges Slovakia faces with respect to climate adaptation and protection of water sources, nature and biodiversity.

Contribution to the digital transition

(25) In accordance with Article 19(3), point (f) and section 2.6 of Annex V to Regulation (EU) 2021/241, the recovery and resilience plan contains measures that contribute to a large extent (Rating A) to the digital transition or to addressing the challenges resulting from it. The measures supporting digital objectives account for an amount which represents 21% of the plan's total allocation calculated in accordance with the methodology of Annex VII to Regulation (EU) 2021/241.

(26) The plan puts forward an ambitious package of measures embracing the digital transformation of the Slovak economy and society. The measures in education put digital skills at their core, combining revised curricula, training of teachers and investments in digital equipment of schools together with digitalisation in higher education. In parallel, the plan includes the development of a digital skills strategy for adults at all ages to ensure their inclusion in the changing society as a result of digitalisation. The plan also introduces measures to create an effective governance model for the digital transformation. This should favour the development of a digital ecosystem and should ultimately benefit the economy at large. Support to digitalisation of companies, with a particular focus on SMEs, should allow them to remain competitive by streamlining production processes and using innovative technologies.

(27) The quality and accessibility of e-government solutions should improve thanks to a new digital platform for providing user-centred public services, together with more efficient management of IT resources in the public administration. To complement this development of digital public services, Slovakia aims to strengthen and standardise cybersecurity across all sectors of public administration. Participation in four multi-country digital projects, including the deployment of Digital Innovation Hubs and joining the European High Performance Computing project, also strengthens the digital contribution of the plan.

Lasting impact

(28) In accordance with Article 19(3), point (g) and section 2.7 of Annex V to Regulation (EU) 2021/241, the recovery and resilience plan is expected to have a lasting impact on Slovakia to a large extent (Rating A).

(29) Slovakia's plan encompasses a large set of structural reforms that are expected to have a lasting impact in many policy areas as well as on public administration and institutions. Notably, justice reforms and reforms in the fight against corruption and money laundering are expected to have a lasting impact, and therefore it is important that these reforms and their implementation are in line with EU law requirements on judicial independence. An appropriate involvement of the judiciary, stakeholders and civil society throughout the reform process is particularly important. In addition, digitalisation efforts across a wide range of institutions and public administration will structurally enhance efficiency and improve the quality of public services. A comprehensive reform package across all levels of education should improve the skills

base of the population. Reforms in health and social care are expected to improve the effectiveness and efficiency of the health care system, which should in turn improve the population's health status and alleviate disparities in health outcomes across socio-economic groups.

(30) Investment measures are expected to support and enhance the positive impact of structural reforms in Slovakia's recovery and resilience plan. Sizeable investment to modernise the railway system should attract more passengers to this sustainable mode of transport, aiding the green transition and supporting regional cohesion. The green investments into industry, including in energy generation, should contribute to the decarbonisation of that sector and cleaner air across Slovakia. An ambitious energy efficiency programme, combined with a reform of construction waste management allows for renovating the building stock, with a lasting impact on lowering emissions of that key sector and improving its circularity. Healthcare reforms are supported by investment in hospitals and other care facilities. Investment also leverages educational reforms, for example by providing digital equipment, training teachers, making the secondary school and university buildings barrier-free, or by building new kindergartens. Scholarship and development programmes are aimed at improving the access to and internationalisation of higher education. A large investment programme should also inject funding into a reformed research and innovation system, raising Slovakia's attractiveness for companies and skilled workers alike, and with significant potential to diversify the economy towards higher value-added activities. Lasting impact of the plan can also be enhanced through synergies between the plan and other programmes, including those financed by the Cohesion policy funds, notably by addressing in a substantive manner the deeply rooted territorial challenges and promoting a balanced development.

Monitoring and implementation

(31) In accordance with Article 19(3) point (h) and section 2.8 of Annex V to Regulation (EU) 2021/241, the arrangements proposed in the recovery and resilience plan are adequate (Rating A) to ensure effective monitoring and implementation of the recovery and resilience plan, including the envisaged timetable, milestones and targets, and the related indicators.

(32) Slovakia is setting up a comprehensive implementation system with a leading role of the National Implementation and Coordination Authority responsible for meeting the milestones and targets and requesting payments. For this purpose, the National Implementation and Coordination Authority will be entitled to request information from all entities involved – implementers, intermediaries, beneficiaries and other persons concerned - on the status of implementation of reforms and investments, including the corresponding milestones and targets. The scope and nature of milestones and targets is generally comprehensive and coherent. The timeframe of milestones and targets is reasonable, with reforms frontloaded and providing the basis for investments. The milestones and targets are considered well-designed with robust indicators ensuring proper monitoring and evaluation during the implementation.

(33) Member States should ensure that financial support under the Facility is communicated and acknowledged in line with article 34 of Regulation (EU) 2021/241. Technical support may be requested under the Technical Support Instrument to assist Member States in the implementation of their plan.

Costing

(34) In accordance with Article 19(3), point (i) and section 2.9 of Annex V to Regulation (EU) 2021/241, the justification provided in the plan on the amount of the estimated total costs of the recovery and resilience plan is to a medium extent (Rating B) reasonable and plausible, is in line with the principle of cost efficiency and is commensurate to the expected national economic and social impact.

(35) Slovakia has provided robust justification, evidence and methodology for most costs that it should incur under the plan. Cost estimates, information and supporting documents have been provided to a relatively high extent. The methodologies used often refer to comparable projects undertaken in Slovakia in the recent past, including under Union funding. Where this was not possible, with a few limited exceptions, reasonable and plausible estimates have often been made with reliable calculations on the basis of information from other Member States or from certified and independent institutions. For various cost estimates, benchmarks are based on available market prices. Slovakia has provided validation of the cost estimates by independent bodies only to a limited extent, although the Value for Money Unit (an integrated part of the Ministry of Finance) has been indicated as independent validating entity for various components. Safeguards to guarantee its independence have been justified.

(36) For a limited number of measures, the targets or cost benchmarks are less clear, described in a relatively general manner, or based on little comparable information, or on information the reliability of which is harder to verify. Some cost estimates, often due to the unprecedented nature of the investments (such as in the areas of renewable energy, research, development and innovation, and digitalisation), lack comparable costing benchmarks. At the same time, in view of the lack of comparable precedents and the fact that bottom-up methodologies are explained to a large extent, Slovakia has provided explanations and justifications to a sufficient degree for those measures.

(37) Pending finalisation of the Partnership Agreement and Programme for the Cohesion Policy programming period 2021-2027, the demarcation with other financing sources for projects in similar areas is not always clearly indicated. However, Slovakia has committed to put in place strong safeguards to ensure that double funding is avoided, both at strategic and at project level, for instance for the financing of different costs under the same measure. Finally, the estimated total cost of the recovery and resilience plan is in line with the principle of cost-efficiency and is commensurate to the expected national economic and social impact.

Protection of financial interests of the Union

(38) In accordance with Article 19(3), point (j) and section 2.10 of Annex V to Regulation (EU) 2021/241, the arrangements proposed in the recovery and resilience plan and the additional measures contained in this Decision are adequate (Rating A) to prevent, detect and correct corruption, fraud and conflicts of interests when using the funds provided under that Regulation, and the arrangements are expected to effectively avoid double funding from that Regulation and other Union programmes. This is without prejudice to the application of other instruments and tools to promote and enforce compliance with EU law, including for preventing, detecting and correcting corruption, fraud and conflicts of interests, and for protecting the Union finances in line with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council.

(39) In general, identification of the actors responsible for controls and audit in Slovakia is well explained and the independence and segregation of functions of the audit authority clearly set out, including how it is enshrined in Slovak legislation. The National Implementation and Coordination Authority is responsible for the preparation and transmission of applications for payment of financial support, the management declaration and the summary of audits. The audit actors, their relationships and their administrative capacity are also explained. Comprehensive information has been made available on measures taken to tackle serious irregularities and who is responsible for those measures. Those responsible will be trained and whistle-blower protection is enshrined in legislation, with the whistle-blowing office expected to be fully operational by September 2021. Management verifications by implementing Ministries/bodies will not only check the absence of serious irregularities but also the fulfilment of milestones and targets. Arrangements and mechanisms to collect, store and make available data on final recipients are explained and the recordkeeping obligation required by Art. 22(2), point (d) of Regulation (EU) 2021/241 is bestowed on implementing bodies and beneficiaries. A repository system for monitoring the implementation of the Facility should be put in place and operational by the time of the first payment request. The system should include, as a minimum, the following functionalities: (a) ensure the collection of data and monitoring of the achievement of milestones and targets; and (b) collect, store and ensure access to the data required by Article 22(2) point (d)(i) to (iii) of the Regulation. A milestone is to be included to this end.

(40) Measures to detect and avoid double funding are comprehensively included. The National Implementation and Coordination Authority will work to coordinate actors involved in implementing the Facility. It is clear from the plan that the responsible coordinating bodies for the Facility and Cohesion Policy funds will liaise to avoid double funding at the programming and implementing stage. While the arrangements for the checks to avoid double funding at the implementation stage are not very detailed, Slovakia has committed to put in place strong safeguards to ensure that double funding is avoided, both at strategic and at project level. The plan provides extensive information on the administrative capacity of the administration to implement and audit the RRF in Slovakia. It also gives extensive information on the legal mandates of the various bodies carrying out controls on the implementation of the plan. However, much of the legal basis rests on the "*Recovery and Resilience Facility Act*" which is still a draft. This means that the exact mandate and competence of the coordination body and all other implementing bodies will likely only be known after the adoption of the plan. Recovery and Resilience Facility Act will have entered into force by the time of the first payment request and at that moment not depart in any material way from the description provided in the plan. A milestone is to be included to this end. The fulfilment of this milestone, as well as the milestone referred to in the recital above, is a precondition for any disbursement under the Facility (except for pre-financing).

Coherence of the plan

(41) In accordance with Article 19(3), point (k) and section 2.11 of Annex V to Regulation (EU) 2021/241, the plan includes to a high extent (Rating A) measures for the implementation of reforms and public investment projects that represent coherent actions.

(42) The Slovak recovery and resilience plan presents a comprehensive package of reforms and investments mutually reinforcing each other with a strong reform drive. The plan is centred on three interconnected pillars of an innovative, sustainable and healthy country and five key policy areas, which are implemented through 18 components. Synergies are ensured in thematic components, such as education components as well as horizontally across a number of components such as when applying energy efficiency requirements for public buildings renovations or digital transition of the public administration. Investments in new information systems and data tools are systematically included. There is an evident balance between reforms and investments in each component. Some reforms are expected to have a cross-cutting impact on the efficiency of spending, such as the revision of public procurement legislation, or improvements to the business environment and the justice system. Reforms are in general concentrated in the first years, such as optimisation of the hospital network and research, development and innovation governance reform, so as to create conditions for effective investment. Complementarities with support under Cohesion policy funds are evident and presented in the components and summarised at the level of the plan to the extent possible at this stage. Demarcation lines are not always fully clear, as both the Partnership Agreement and Programme are still pending finalisation.

Equality

(43) The plan contains a series of measures that are expected to address the country’s challenges in the area of gender equality and equal opportunities for all. As regards gender equality, the plan foresees an early warning system for the prevention of early school leaving, which disproportionately affects women from disadvantaged backgrounds. That system includes mentoring and tutoring opportunities. To address the low availability of kindergarten facilities and its impact on women’s participation in the labour market and on children’s later school performance, a legal entitlement to a place in pre-school education facility for children from the age of three should be introduced. The part of the plan dealing with the inclusiveness of education includes reforms and investments to establish a system of educational support measures for students with special educational needs, to modernise the teacher training programmes, to reduce segregation in education and to promote early care services in marginalised Roma communities, as well as to improve access to higher education for disadvantaged students. The situation and needs of people with disabilities are addressed in several parts of the plan, including in relation to the renovation of buildings and their improved accessibility, sustainable transport, digitalisation and social and mental health care. The challenges faced by older people are also addressed, in particular through supporting their digital skills development and improving the quality and accessibility of the long-term, social and healthcare systems. The plan also includes a horizontal mechanism to take gender equality and equal opportunities for all into account in the implementation phase.

Security self-assessment

(44) The recovery and resilience plan of Slovakia confirms that a security self-assessment of investments into digital capacities under Regulation (EU) 2021/241 is expected to be an integral part of the implementation stage, as part of the analysis and design in the development of new IT systems. Slovakia intends to fund digital connectivity investments from other sources.

Cross-border and multi-country projects

(45) The plan proposes several cross-border projects, mostly to facilitate the digital transition. It should allow small and medium enterprises to benefit from services of the network of European Digital Innovation Hubs. Other projects include *inter alia* the investment into a high performance computer, to be part of the European High Performance Computing (EuroHPC) project, and a possible contribution to EU quantum communication and blockchain infrastructure, preparing cross-border connections with all neighbouring Member States. The plan includes a measure strengthening the electricity connection with Hungary, allowing for connection of more domestic renewables to the domestic grid. The plan includes support to broader participation of Slovak entities in projects of the EU Framework Programme for Research and Innovation, which should encourage companies to deliver highly innovative projects, and researchers and firms to access international consortia, thereby promoting internationalisation.

Consultation process

(46) The plan includes a summary of the consultation process carried out for its preparation and implementation. The preparations started in summer 2020. The National Integrated Reform Plan, published in October 2020 and prepared with stakeholder involvement, provided an analytical basis for the plan. Since autumn 2020, the preparations reflected upon the consultations of a wider range of stakeholders and general public. The standardised inter-ministerial consultation procedure received nearly 2 500 comments. The authorities made efforts to reflect upon the proposals by the public and stakeholders that often targeted environmental and climate issues. Due to the COVID-19 pandemic, public events were largely organised online.

(47) For the implementation phase of the plan, a Government Council for the plan is expected to be set up as an advisory body to ensure a structured dialogue with key stakeholders. To ensure ownership by the relevant actors, it is crucial to involve all local authorities and stakeholders concerned, including social partners, throughout the implementation of the investments and reforms included in the plan.

Positive assessment

(48) Following the positive assessment of the Commission concerning Slovakia's recovery and resilience plan with the finding that the plan satisfactorily complies with the criteria for assessment set out in Regulation (EU) 2021/241, in accordance with Article 20(2) of that Regulation, this Decision should set out the reforms and investment projects necessary for the implementation of the plan, the relevant milestones, targets and indicators, and the amount made available from the Union for the implementation of the plan in the form of non-repayable financial support.

Financial contribution

(49) The estimated total cost of the recovery and resilience plan of Slovakia is EUR 6 575 000 000. As the recovery and resilience plan satisfactorily complies with the criteria for assessment set out in Regulation (EU) 2021/241 and, furthermore, as the amount of the estimated total costs of the recovery and resilience plan is higher than the maximum financial contribution available for Slovakia, the financial contribution allocated for Slovakia's recovery and resilience plan should be equal to the total amount of the financial contribution available for Slovakia.

(50) In accordance with Article 11(2) of Regulation (EU) 2021/241, the calculation of the maximum financial contribution for Slovakia is to be updated by 30 June 2022. As such, in accordance with Article 23(1) of that Regulation, an amount for Slovakia should be made available now for a legal commitment by 31 December 2022. Where necessary following the updated maximum financial contribution, the Council, on a proposal from the Commission, should amend this Decision to include the updated maximum financial contribution without undue delay.

(51) The support to be provided is to be financed from the borrowing by the Commission on behalf of the Union on the basis of Article 5 of Council Decision (EU, Euratom) 2020/2053[5]. The support should be paid in instalments once Slovakia has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the recovery and resilience plan.

(52) Slovakia has requested the pre-financing of 13% of the financial contribution. That amount should be made available to Slovakia subject to the entry into force and in accordance with the Financing Agreement provided for in Article 23(1) of Regulation (EU) 2021/241.

(53) This Decision should be without prejudice to the outcome of any procedures relating to the award of Union funds under any other Union programme than Regulation (EU) 2021/241 or 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. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty,

HAS ADOPTED THIS DECISION:

Article 1

Approval of the assessment of the recovery and resilience plan

The assessment of the recovery and resilience plan of Slovakia on the basis of the criteria provided for by Article 19(3) of Regulation (EU) 2021/241 is approved. The reforms and investment projects under the recovery and resilience plan, the arrangements and timetable for monitoring and implementation of the recovery and resilience plan, including the relevant milestones and targets, the relevant indicators relating to the fulfilment of the envisaged milestones and targets, and the arrangements for providing full access by the Commission to the underlying relevant data are set out in the Annex to this Decision.

Article 2

Financial contribution

1. The Union shall make available to Slovakia a financial contribution in the form of non-repayable support amounting to EUR 6 328 586 359.[6] An amount of EUR 4 642 807 510 shall be available to be legally committed by 31 December 2022. Subject to the update provided for in Article 11(2) of Regulation (EU) 2021/241 calculating an amount for Slovakia equal to or more than this amount, a

[5] OJ L 424, 15.12.2020, p. 1.

[6] This amount corresponds to the financial allocation after deduction of Slovakia's proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Article 11 of that Regulation.

further amount of EUR 1 685 779 848 shall be available to be legally committed from 1 January 2023 until 31 December 2023.

2. The Union financial contribution shall be made available by the Commission to Slovakia in instalments in accordance with the Annex. An amount of EUR 822 716 227 shall be made available as a pre-financing payment, equal to 13 % of the financial contribution. The pre-financing and instalments may be disbursed by the Commission in one or several tranches. The size of the tranches shall be subject to the availability of funding.

3. The pre-financing shall be released subject to the entry into force and in accordance with the Financing Agreement provided for in Article 23(1) of Regulation (EU) 2021/241. Pre-financing shall be cleared by being proportionally deducted against the payment of the instalments.

4. The release of instalments in accordance with the Financing Agreement shall be conditional on available funding and a decision by the Commission, taken in accordance with Article 24 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. Subject to the entry into force of the legal commitments referred to in paragraph 1, to be eligible for payment, milestones and targets shall be completed no later than 31 August 2026.

Article 3
Addressee

This Decision is addressed to the Slovak Republic.

Done at Brussels,

For the Council
The President