Project Number: SR9912
Title: Reinforcement of institutional and administrative capacity


Project Location: Ministry of Economy SR, Bratislava, Slovakia,

Objectives:
The main objective of the project is to provide support to the Slovak Ministry of Economy in the implementation of comprehensive energy policy aiming at meeting the acquis. The assistance provided under this project is aimed at implementation of the draft energy policy and at strengthening of institutional basis and regulatory framework in the energy sector.
The immediate objectives of this project are following:
1. to provide a comprehensive integrated strategy for the Ministry of Economy SR for full adoption of the Acquis.
2. to strengthen the institutions in energy sector and harmonise SR legislation with the EC regulations
3. to enable Third Party Access (TPA) to Slovak electricity and natural gas market.
These immediate objectives shall result in effective implementation of concrete energy policy of the SR.

Description:
The first “Energy Concept of the SR until the year 2005” was adopted by the SR Government Resolution No. 562/1993 on 17th August 1993,. The revised version of this document was published under the title “Energy Policy of SR until 2005” by the Government’s Resolution on 30th Sept. 1997.

The Ministry of Economy SR has to update this document by the end of 1999. As stated by the Government in its Programme Declaration, the Ministry is currently preparing a new energy policy for the SR until 2010. The Government’s approval of this new document will serve as prerequisite for this proposed project.

Although the implementation of a comprehensive energy strategy which foresees the alignment to and implementation of EC energy legislation is a mid-term priority as included in the Accession Partnership, it was considered necessary to provide ad-hoc support through the 1999 NP. The activities to be financed by Phare aim at facilitating the adoption of acquis in the energy sector.

This project envisages 3 sub-projects to be implemented through twinning arrangements. The proposed 3 subprojects are in conformity with the NPAA document.
The sub-projects will be the following:
1. legal advice to be provided to the Ministry of Economy (energy prices and tariffs and their impact on individual subsectors, approximation of the EU Act on Emergency Oil Stocks, advice on how to secure 90-days emergency oil stocks).
2. recommendation on most appropriate institutional set-up for the establishment of energy regulatory authority, including the law enforcement of the new Slovak legislation
3. recommendation on competitiveness of energy companies, policy advice to the Ministry on utilisation of the TPA or single buyer approach in electricity market and their impacts on Slovak energy sector.
- advice on continuous transposition of EU energy acts into Slovak legislation;
- legal advice on harmonisation of energy policy in electricity, natural gas, heating industry subsectors;
- analyse consequences, calculate economic justifiable cost and propose measures and activities for adoption of the executive regulations on emergency oil stocks and EU technical standards for the oil pipelines, formulate new provisions for the Slovak energy law so that the emergency oil stock obligation could come into force and advice on approximation of EU act with definition of the rules for emergency oil stocks, and on approximation of EU technical standards governing the operation of oil pipelines;
- organise institution-based training for officials on preparation of harmonised EU legislation and for officials responsible for drafting of agreements and executive regulations on emergency oil stocks;
- legal advice on restructuring of coal sector in Slovakia ( lignite and brown coal mining industry);

This sub-project shall be implemented through twinning arrangements (legal advice in approximation of legislation, advice on harmonisation of sectoral policy, legal advice in approximation of EU legislation on emergency oil stocks and on restructuring of Slovak coal sector).

Sub-project 2: “Recommendation on most Appropriate Institutional Set-up”
- advice on strengthening of public administration authorities in order to put into operation the EU directive on Internal Energy Market (analysis of energy prices, tariffs and taxes, amending energy prices and tariffs so as to cover economic justifiable costs and adequate profit of energy producers);
- provide advice for setting up of the independent regulatory authority in Slovak energy sector, training of the Ministry officials in regulatory issues;

This sub-project shall be implemented through twinning arrangements.

Sub-project 3: “Policy Advice on TPA Structure and Legislation”
- analyse possibilities for third party access (TPA) or single buyer (SB), propose measures and activities for removal of bottlenecks in Slovak legislation for the TPA;
- approximation of EU energy directives with definition of the rules of TPA or SB to the electricity and gas transmission networks;
- legal advice on opening of the Slovak energy system (electricity and gas);
- training of the Ministry officials in TPA relevant issues;

This sub-project shall be implemented through twinning arrangements.

Institutional Framework:
The following institutions will be involved in this subproject are the Ministry of Economy (Section of Energy, Minerals and Metallurgy), the Slovak Energy Agency and the Material Stocks Administration Authority.
**Budget:**

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<td><strong>TOTAL</strong></td>
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<td><strong>0.05</strong></td>
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* Premises, telecom expenses, stationary, etc.

**Implementation arrangements:**
Implementing Agency: CFCU
Implementing Authority: Ministry of Economy, Section of Energy, Minerals and Metallurgy.

**Implementation schedule:**
The planned duration of the 1st subproject is 24 months. The planned duration of the 2nd and 3rd sub-projects is 18 months.

*Sub-project 1:*
Start of tendering: 1st quarter 2000
Start of project activity: 2nd quarter 2000
Completion: 4th quarter 2001

**Conditionality and sequencing:**
The Slovak Government will have to ensure that a comprehensive energy strategy in line with the Accession Partnership priorities is adopted prior to the release of Phare funds.
### LOGFRAME PLANNING MATRIX

#### Support to the Ministry of Economy in the implementation of a Comprehensive Energy Policy

<table>
<thead>
<tr>
<th>Programme name and number: SR9912</th>
<th>Date of drafting: May 1999</th>
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<tr>
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<th>Wider Objective</th>
<th>Indicator of Achievement</th>
<th>How, When and By Whom Indicators Will Be Measured</th>
<th>Assumptions and Risks</th>
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<tr>
<td>Implementation of comprehensive energy policy in the SR with respect to meet the objectives of AP and NPAA documents</td>
<td>Slovak energy legislation complies with the corresponding legislation of EU</td>
<td>screening of Accession Process by EU and NPAA Progress Report</td>
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<table>
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<tr>
<th>Immediate Objectives</th>
<th>Indicator of Achievement</th>
<th>How, When and By Whom Indicators Will Be Measured</th>
<th>Assumptions and Risks</th>
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<tbody>
<tr>
<td>1. providing comprehensive integrated strategy for full adoption of Acquis</td>
<td>Main principles of Energy Policy for SR are determined and adopted, the energy policy of the SR is positively accepted by the EC.</td>
<td>Positive opinion of EU on integration of the SR energy sector</td>
<td>SR Government proceeds in its energy policy for SR until 2010</td>
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<tr>
<td>2. strengthening of energy institutions and harmonization of the SR legislation with EC regulations is implemented</td>
<td>Independent regulatory body for Slovak energy sector is established</td>
<td>Ministry of Economy SR records</td>
<td>SR Government delays its approval for establishment of energy regulatory body</td>
</tr>
<tr>
<td>3. Third Party Access (TPA) to Slovak electricity and natural gas market exists</td>
<td>TPA strategy is available for Slovak electricity and gas market</td>
<td>Ministry of Economy SR records</td>
<td>Institutional objections from the entities operating in Slovak energy sector</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Indicator of Achievement</th>
<th>How, When and By Whom Indicators Will Be Measured</th>
<th>Assumptions and Risks</th>
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<tbody>
<tr>
<td>1. Approximation of relevant EU legislation is secured</td>
<td>Tools and strategies for sequential process for adoption of Acquis</td>
<td>Ministry of Economy SR records</td>
<td>SR Government has approved the Energy Policy for SR until 2010</td>
</tr>
<tr>
<td>2. Institutions in charge of monitoring of EU approximation are defined</td>
<td>Foundation Charter of an independent regulatory body has been drafted</td>
<td>Ministry of Economy SR records</td>
<td>Foundation Charter could not implemented under SR conditions</td>
</tr>
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</table>
3. Strategy of TPA for Slovak electricity and gas market has been elaborated

| Inputs |
|-----------------|-----------------|-----------------|
| 1-1. Provision of legal advice to the Ministry of Economy SR | Review and analysis for electricity, gas and emergency oil stocks is available | Ministry of Economy SR records, reports from the experts | The obtained information are not applicable in the SR |
| 1-2. Provision of policy advice to the Ministry of Economy SR | Reports and analyses on alignment of Slovak energy prices with EU energy prices are completed | Ministry of Economy SR records, reports from the experts | The legislative and institutional framework is in place |
| 2-1. Provision of advice on most-appropriate institutional set-up and recommendation for regulatory authority | Analysis of independent regulatory authority has been drafted, the proposed list of equipment is available | Ministry of Economy SR records, reports from the experts | Not enough interest on part of relevant institutions in SR energy sector exists |
| 2-2. Provision of advice for energy sector authorities (training, proposal for equipment supply) | Number of seminars, technical assistance have been provided by twinning partners | Ministry of Economy SR records, reports from the experts | A sufficient and competent staff is ensured, training facilities and co-financing ensured |
| 3-1. Provision of advice on competitiveness of Slovak energy companies | Draft analysis on subsectorial competitiveness of energy companies has been performed | Ministry of Economy SR records, reports from the experts | The obtained information is not applicable in the SR |
| 3-2. Provision of assistance to Ministry of Economy SR by analysis of TPA | Draft analysis on TPA impact on power and gas companies has been performed | Ministry of Economy SR records, reports from the experts | Electricity and gas companies may object to TPA |
CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE  (MEUR)

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TIME IMPLEMENTATION CHART FOR PROJECT SR9912

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Annex 3

BREAKDOWN OF PRICES

Total twinning budget: 580.000 EUR (including one PAA and short-term experts, other actions, etc.)

Subproject 2: „Recommendation on most appropriate institutional set-up“
Total twinning budget: 310.000 EUR (including one PAA and short-term experts, other actions, etc.)

Subproject 3: „Policy Advice on TPA Structure and Legislation“
Total twinning budget: 310.000 EUR (including one PAA and short-term experts, other actions, etc.)
Relation of Project “Support for Ministry of Economy SR in Implementation of Comprehensive Energy Policy” with Previous PHARE Activities

The project “Support for Ministry of Economy SR in Implementation of Comprehensive Energy Policy” refers to the previous activities performed under the sectoral PHARE Programmes 1991, 1992, 1993, 1994 and 1995. This proposed project will cover new fields and it shall not overlap with, or duplicate any previous projects.

PHARE started in former Czechoslovakia in the beginning of 1991 and it included also projects for Slovakia. The PMU PHARE Energy has started independent performance of its activities in Slovakia from the 1st January 1993.

The subject of the sectoral PHARE Energy programmes was providing financial support for the studies mainly in the area of energy efficiency and encouragement of energy conservation measures (performance of energy audits in industry), diversification of energy sources and working out of regional energy studies. The PHARE Energy programme has also supported several projects targeted on providing of legal advice to the Ministry in the field of energy legislation and energy pricing studies.

In light of the new orientation of PHARE Programme and the above mentioned project “Support for Ministry of Economy SR in Implementation of Comprehensive Energy Policy” we would like to focus our attention on the projects which are interrelated with this subject. The projects financed from PHARE Energy Programme were the following:

   The project had been implemented jointly for the Czech and Slovak Republic with two separate studies as the output. The contractor was the English consulting firm ETSU. The contractor has closely co-operated with the state companies from the Czech and Slovak energy sector. The Final Report contains the consultant’s recommendations on future orientation of the state energy policy, as regards the analysis and predictions of energy demands, primary energy resources, mutual relations of electricity supply systems, taxation and pricing issues in energy sector.

   The project was started in 1991 and completed in 1992. The contractor of this project had been the English consulting firm NERA. The result of this project is a detailed analysis and information about regulation of natural monopolies in the developed industrialised countries.

   The project was started before the Czechoslovakia’s split and it has been completed in April 1993. The contractor was the Belgian consulting firm TRACTABEL which had closely co-operated with the Czech and Slovak Power Companies. The study has provided an independent overview of economic opinions on the most probable development of Czech and Slovak economy until the year 2000.

4. A7/92 “Advice to the Ministry of Economy and to the PMU regarding the Restructuring of the Slovak Electricity Sector”
   The project was contracted to the consulting firm NERA based on the request of the new Government which wanted to accelerate the privatisation process, mainly in the area of
electric power generation, transmission and distribution. The Ministry was in charge to prepare the proposal for restructuring of the Slovak energy sector. The objective of the project was to advise the Ministry on the ownership stakes in power companies which should be retained by the state.

5. **A9/92 “Legal Advice for Ministry of Economy SR in Drafting of New Energy Law”**
The contractor for this project was the Slovak energy agency (SEA) Bratislava. The project encompassed provision of legal advice and law comparison of paragraph wording of the draft energy law. The subcontractors for this project were the local consulting firms VUPEK Prague and the Faculty of Law, Komenius University Bratislava. The contractor has issued the statement of legal convergence of the draft Slovak energy law with the EU energy acts. The legal advice has been provided in conformity with the general convergence objectives defined in the EC Working Paper COM 93/635 “Community Assistance in Energy Sector to the CEEC and CIS”

6. **Study on Retail Electricity Pricing and Tariffs**
This project has been performed by the contractor BECHTEL on the request of the Ministry of Economy and financed from the USAID Programme. The works on the study started in April 1994 and study was completed in May 1995. The objective of the project was to provide support to the Ministry of Economy SR by utilisation of proper methodology for development of energy sector based on economic assessments. The study was based on the information, which had been made available by the local power generating companies and by the regional distribution utilities. The Study contains an overview and assessment of operating costs, the structure of electricity pricing methods and the investment plans, which have become the basis for recommendation on adjustment of the electricity tariffs in the future.

7. **94/01-02-01”Extension of Legal Advice for Ministry of Economy SR in Drafting of New Energy Law”**
The project was a follow-up of the project A9/92 and it was contracted with the SEA agency in December 1996. The study elaborated under this project has 2 parts. The first part contains brief analysis of the EU and OECD documents, abstracts of legislative regulations from some industrialised EU countries and other internationally valid documents. The analysis includes recommendation on tasks implied by these documents for the Slovak Republic. The second part contains the draft wording of the Act on Energy Efficiency. This draft has been prepared with respect to the results of the preliminary internal reviewing process of the first draft proposal of the above mentioned act, considering the comments from SEA, from the Ministry of Economy SR and from other organisations from the energy sector.
Annex 5

List of Relevant Laws and Regulations

The project “Support for Ministry of Economy SR in Implementation of Comprehensive Energy Policy” refers to the following laws and regulations applicable in the Slovak Republic. The main legal instrument governing operation of the energy sector of the Slovak Republic is the Act on Energy Management and on Amendment to the Trade Licensing Act No.455/1991 Law Coll., which has come into force on the 1st July 1998.

The previous PHARE Programme 1994 has supported the project on providing the legal advice to the Ministry in drafting of the Act on Energy Efficiency, which has been contracted to the contractor - the Slovak Energy Agency.

The draft Act on Energy Efficiency has been submitted by the Ministry to the Government’s legislature in February 1998, but it has not been approved. The draft law has been returned to the Ministry for review and for redrafting and it has not as yet been included in the 1999 working plan of the Government’s legislature. The Government’s legislature has proposed a change the title of the Act on Energy Efficiency to the “Act on Rational Energy Use”.

The Ministry of Economy wishes to submit the new draft Act on Rational Energy Use in the beginning of the year 2000.

The new Act should promote measures in the energy efficiency policy, which result in saving of energy.
Reference to relevant Government’s Strategic Plans and Studies

As yet the following document is valid as the Government’s policy for operation of the Slovak energy sector:

“Slovak Republic Updated Energy Concept up to 2005”

(approved by the Government’s Resolution No.684 of 30th September 1997).
STANDARD TWINNING PROJECT FICHE

Key Facts

1. Country: SLOVAKIA

2. Sector: Energy sector

3. Beneficiary institution and contact person: Ministry of Economy SR, Mr. Ondrej Studenec, General Director of Section of Energy

4. PHARE Programming 1999
   No. of project: EN-A01/99
   Title of project: "Support for Ministry of Economy SR in Implementation of Comprehensive Energy Policy"
   Budget: 1,21 MEUR

5. Twinning component:
   Title: "Support for Ministry of Economy SR in Implementation of Comprehensive Energy Policy"
   N° EN - A01/99/IB/SSnn
   Total twinning project budget: 1,21 MEUR

Contextual Framework

6. Most recent Accession Partnership

Based on the medium term priorities of the Accession Partnership for 1999 (part 2/2) for the Slovak energy sector a comprehensive long-term energy strategy for Slovakia compatible with energy efficiency and diversification of energy sources should be implemented. The new energy strategy (state energy policy) includes alignment and implementation of EC energy legislation.

7. Most recent NPAA:

On 16th April 1999, the Section of Energy of the Ministry of Economy SR has updated the NPAA document, which is in conformity with the basic outline of this project.

Project Details

8. Objectives of the project

8.1 Broad Objectives

The broad objective of the project is to provide support to the Ministry of Economy SR ("Ministry") in implementation of comprehensive energy policy. The twinning provided under this project is aimed at
implementation of the draft energy policy and at strengthening of institutional basis and regulatory framework in Slovak energy sector.

8.2 Guaranteed results/Expected outputs

This project has been divided into 3 subprojects targeted at the following issues:

**Sub-project 1: “Legal Advice on Energy Legislation and Implementation of Energy Policy”**
The expected output is assurance of approximation of relevant EU energy legislation. The result will be certain number of acts and executive regulations assessed by the foreign advisor working in twinning assignment with the Section of Energy, Minerals and Metallurgy of the Ministry.

**Sub-project 2: “Recommendation on most Appropriate Institutional Set-up”**
The expected output of this subproject is strengthening of the institutions in charge of monitoring of energy legislation approximation.

**Sub-project 3: “Policy Advice on TPA Structure and Legislation”**
The expected output of this subproject is enabling Third Party Access (TPA) to the Slovak electricity market. The result will be the assessment of the share of Slovak electricity market suitable for introduction of TPA.

9. **Scope of the twinning assignment:**

**Sub-project 1: “Legal Advice on Energy Legislation and Implementation of Energy Policy”**
- advice on continuous transposition of EU energy acts into Slovak legislation;
- setting up of detailed approximation programmes and implementation strategies relating to individual energy acts;
- legal advice on harmonisation of energy policy in electricity, natural gas, heating industry subsectors;
- organise institution-based training on preparation of harmonised EU legislation (Decisions, Regulations, Directions) as well as on preparation of draft law;
- helping to formulate new provisions for the draft act on Rational Energy Use;
- advice on structural changes in Slovak energy sector
- analyse consequences, calculate economic justifiable cost of emergency oil stocks;
- propose measures and activities for adoption of the executive regulations on emergency oil stocks and EU technical standards for the oil pipelines;
- advice on approximation the of EU act with definition of the rules for emergency oil stocks, and on approximation of EU technical standards governing the operation of oil pipelines.
- organise law training for officials responsible for drafting of agreements and executive regulations on emergency oil stocks,
- training for officials working on preparation and approximation of EU legislation in emergency oil stocks and EU technical standards governing the operation of oil pipelines;
- providing legal advice through twinning with expatriate experts visiting the Ministry of Economy SR and the Material Stocks Administration Authority;
- helping to formulate new provisions for the Slovak energy law so that the emergency oil stock obligation will come into force.
- legal advice on restructuring of coal sector in Slovakia (lignite and brown coal mining industry);

This sub-project shall be implemented through twinning arrangements with 1 or 2 EU member states (legal advice in approximation of legislation, advice on harmonisation of sectoral policy, legal advice in approximation of EU legislation on emergency oil stocks and on restructuring of Slovak coal sector).

**Sub-project 2: “Recommendation on most Appropriate Institutional Set-up”**
- approximation of the EU energy directives governing the opening of internal energy market;
• advice on strengthening of public administration authorities in order to put into operation the EU directive on Internal Energy Market;
• analysis of energy prices, tariffs and taxes, amending energy prices and tariffs so as to cover economic justifiable costs and adequate profit of energy producers;
• advice on regulation of energy sector with the aim to liberalise electricity and natural gas prices and to support competition in energy sector;
• provide advice for setting up of the independent regulatory authority in Slovak energy sector, training of the Ministry officials in regulatory issues;

The institution-building component of this sub-project shall be implemented through twinning arrangement with 1 or 2 EU member states.

Sub-project 3: “Policy Advice on TPA Structure and Legislation”
• analyse possibilities for third party access (TPA) or single buyer (SB), propose measures and activities for removal of bottlenecks in Slovak legislation for the TPA;
• approximation of EU energy directives with definition of the rules of TPA or SB to the electricity and gas transmission networks;
• legal advice as to when to start opening the energy system while avoiding problems caused by existing cross-subsidies in energy prices;
• approximation of the EU energy directives governing the access to electricity and gas market;

The institution building component of this sub-project shall be implemented through twinning arrangement with 1 or 2 EU member states.

10. Required inputs:
Outline of the types of resources, skills and knowledge required

10.1. Profile of the PAA
The required profile of PAA for the twinning activities in Subproject No.1 shall be the following:
The foreign expert should have the following professional experience:
- be able to provide relevant legal advice on energy issues to the Ministry which should result in draft documents for electricity, gas and emergency oil stocks,
- provide policy advice on energy prices and tariffs and their impact on all energy subsectors of the national economy, which shall result in drafting of strategy of adjustment of energy prices in the SR according to the EU level,
- have good knowledge about Slovak energy sector and about the basic issues of power generation in Slovakia.
- be able to provide training /twinning for the officials of the Slovak Ministry

The required profile of PAA for the twinning activities in Subproject No.2 shall be the following:
The foreign expert should have the following professional experience:
- experience in institutional building in the energy sector,
- be able to develop the most appropriate institutional set-up and recommendation for regulatory authority in Slovakia, which should ensue in drafting of foundation charter of independent regulatory authority,
- be able to elaborate study on authorities in Slovak energy sector, which encompasses proposal of hardware equipment supply for the energy regulatory authority,
- be able to provide training /twinning for the officials of the Slovak Ministry

The required profile of PAA for the twinning activities in Subproject No.3 shall be the following:
The foreign expert should have the following professional experience:
- be able to elaborate study on competitiveness of energy companies in all subsectors of the Slovak sector,
- provide policy advice to the Ministry, which should concentrate on analysis of TPA impact on Slovak power subsector.
11. Operating Environment/Implementation

The Ministry of Economy has 10 sections and it is controlled by 2 State Secretaries and by 1 Head of Administration.

The Section of Energy of the Ministry of Economy SR is comprised of 4 departments:

1. Dept. of Energy Policy
2. Dept. of Electricity Generation and Heating Industry
3. Dept. of Fuels and Mining Industry
4. Dept. of Metallurgy.

This project should provide twinning activities to 3 departments comprising 32 ministerial staff. Each member of staff has 1 PC personal computer at his disposal. The computers are linked into Windows NT LAN network and each networked computer has access to INTERNET.

The Slovak Energy Agency (SEA) has been founded through the Decree issued by the Ministry of Economy SR („Ministry“) on the 1st January 1999, with reference to disbanding of its predecessor – the Slovak Energy Inspection – Energy Agency.

The SEA has been established to ensure execution of the working tasks of the Ministry within its competency scope in the energy sector – in the area of energy management, efficient use of energy sources in accordance with the requirements set on environmental protection and the requirements on reduction of energy intensity in the industry.

The SEA has its headquarters in Bratislava and 4 regional branch offices in Bratislava, Trenčín, Banská Bystrica and Košice, whose activities cover the whole territory of the Slovak Republic. This project should provide twinning activities to 4 regional branch offices comprising 120 members of staff. Each member of staff has 1 PC personal computer at his disposal.

12. Other relevant projects in the sector

PHARE projects:

4. A7/92 “Advice to the Ministry of Economy and to the PMU regarding the Restructuring of the Slovak Electricity Sector”
5. A9/92 “Legal Advice for Ministry of Economy SR in Drafting of New Energy Law”
6. 94/01-02-01 “Extension of Legal Advice for Ministry of Economy SR in Drafting of New Energy Law”

Other Donors: US AID sponsored project:

“Study on Retail Electricity Pricing and Tariffs”
Appendix

Background information on the beneficiary institutions

Section of Energy, Minerals and Metallurgy
of the Ministry of Economy SR

This Section encompasses the tasks and responsibilities of the Ministry in the area of energy, heating industry, gas industry, extraction and processing of solid fuels, extraction of crude oil, extraction and storage of natural gas, extraction and processing of ores and minerals and nuclear raw materials. The Section is in charge of preparing the draft energy policy of the Slovak Republic, it co-operates by elaboration of raw material policy for home produced minerals and it co-operates with the state administration and with local self-government by implementation of these policies. Furthermore, the Section approves and manages projects for the phasing-out programs in ore mining industry, in exploration and mining of nuclear raw materials. In frame of its competency, the Section co-operates with individual departments within the Ministry, with state authorities, with the employers’ associations and trade unions, with international organisations and with business entities by securing the state interests ad well as by procuring tasks for the Government and for its advisory bodies. The Section is in charge of regulation of natural monopolies in electricity and gas subsectors, it issues the licenses for generation, purchases, transit and distribution of electricity or natural gas and licenses for generation, purchases and distribution of heat. The Section may approve construction or impose demolition of energy facilities. It co-ordinates the activities of the State Fund for Liquidation of Nuclear Facilities and for Burned Nuclear Fuel and Radioactive Waste Disposal, the activities of State Mining Authority, State Energy Inspection, Slovak Energy Agency and PMU PHARE Energy. It provides for performance of secretarial activities for the Government plenipotentia ry for completion of EMO Nuclear Power Plant. In area of its competency the Section determines material scope of foreign assistance provided to the Ministry.

The Section is divided into 4 departments:
1. Dept. of Energy Policy
2. Dept. of Electricity Generation and Heating Industry
3. Dept. of Fuels and Mining Industry
4. Dept. of Metallurgy.

The following entities are subordinated to the Section of Energy:
- State Energy Inspection
- State Mining Authority
- State Fund for Liquidation of Nuclear Equipment
- Slovak Energy Agency
SLOVAK ENERGY AGENCY
Company Profile

The SEA is partly financed by appropriation from the state budget, but the major part of its revenues is generated from the activities performed for its clients – the juristic persons from all segments of national economy.

The SEA has 120 employees and an annual turnover of 60 million Sk.

Key activities of the SEA are the following:

- elaboration of expert assessments and records for decision-making process at the Ministry in all business segments of the energy sector, in the area of state regulation of energy sector and in control of energy prices and tariffs,
- drafting of regional energy strategies and concepts,
- assessment of energy efficiency of the projects aimed at nationalisation of energy consumption,
- economic assessment of operation of energy equipment in private industrial companies, feasibility studies and energy audits,
- activities in the EU programmes – PHARE, SAVE, JOULE-THERMIE aimed at promotion of renewable energy sources, CHP units and energy saving investment projects.
- transfer of innovative technologies in the area of renewable energy sources and CHP.
- promotion campaign and activities aimed at raising of the public awareness in energy issues.
- training of energy consultants, auditors and managers.
- organisation of seminars, exhibitions and conferences.
- elaboration of draft legislative instruments and economic tools for promotion of efficient energy use.
- activities concerning the Third Party Financed energy saving projects.