WP1: Synthesis report

Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF)

Task 3 Country Report Slovakia

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Authors: Applica, Ismeri Europa and Cambridge Economic Associates

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Contact: Violeta PICULESCU

E-mail: Violeta.PICULESCU@ec.europa.eu

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List of abbreviations

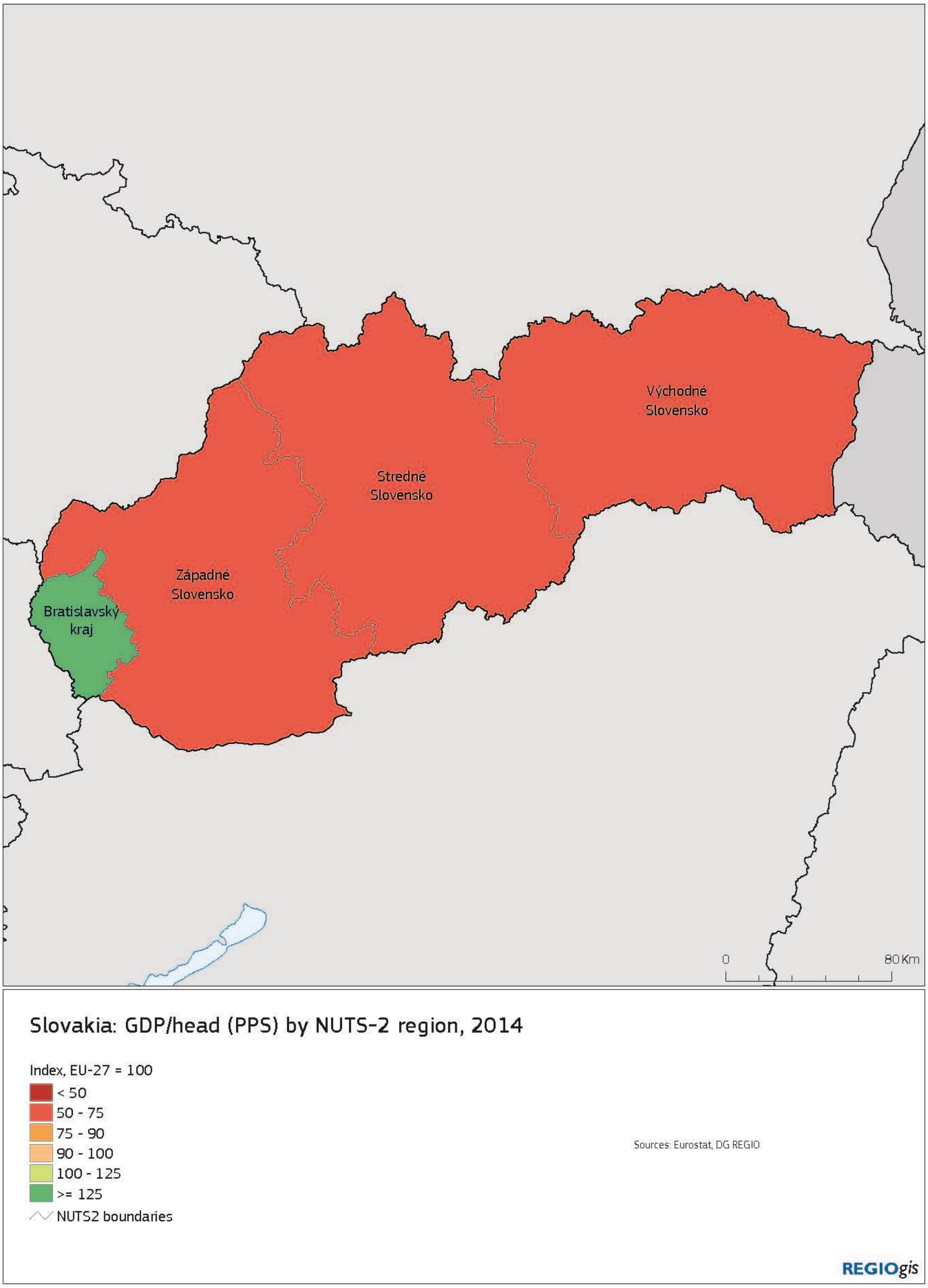
AIR	Annual Implementation Report
ERDF	European Regional Development Fund
EU	European Union
GDP	Gross Domestic Product
GDFCF	Gross Domestic Fixed Capital Formation
MA	Managing Authority
NSRF	National Strategic Reference Framework
NUTS	Nomenclature of Territorial Units for Statistics
OP	Operational Programme
R&D	Research and Development
RTD	Research and Technological Development
SME	Small and Medium Enterprise

List of programmes and link to beneficiaries of ERDF and Cohesion Fund support

CCI	Name of programmes	Link beneficiaries	Number of projects
2007SK161PO001	OP Information Society	http://www.nsrr.sk/en/cerpanie/	98
2007SK161PO002	OP Environment	http://www.nsrr.sk/en/cerpanie/	667
2007SK161PO003	OP Regional Operational Programme	http://www.nsrr.sk/en/cerpanie/	1 920
2007SK161PO004	OP Transport	http://www.nsrr.sk/en/cerpanie/	118
2007SK161PO005	OP Health	http://www.nsrr.sk/en/cerpanie/	73
2007SK161PO006	OP Competitiveness and Economic Growth	http://www.nsrr.sk/en/cerpanie/	1 148
2007SK161PO007	OP Technical Assistance	http://www.nsrr.sk/en/cerpanie/	150
2007SK162PO001	OP Bratislava Region	http://www.nsrr.sk/en/cerpanie/	352
2007SK16UPO001	OP Research and Development	http://www.nsrr.sk/en/cerpanie/	498

Note: The web links above are to websites of the respective Managing Authorities who, under the rules governing the 2007-2013 programmes were required to publish the names of the beneficiaries of the funding allocated. The number of projects supported has been estimated on the basis of the information published on the website at the time when the data were downloaded. In the meantime the data concerned may have been updated. It may also be that the data have been moved to another part of the website, in which case the link may not work. If this is the case, those who wish to locate the data concerned will need to go to main OP website, as indicated by the beginning part of the link and search from there.

Map 1 Slovakia and NUTS 2 regions, GDP/head (PPS), 2014



Preliminary note

The purpose of the country reports is to provide, for each Member State, a short guide to the findings of the ex post evaluation of Cohesion policy programmes 2007-2013 undertaken by DG Regional and Urban Policy and an overview of the context in which the programmes were carried out. It is based on information produced by Task 1 and Task 2 of WP1 and on the country specific findings from the various WPs that form the ex post evaluation. These are listed below with an indication in brackets of the case studies carried out in the Member State concerned, if any.

WP0 – Data

WP1 – Synthesis

WP2 – SMEs, innovation and ICT

WP3 – Venture capital, loan funds

WP4 – Large enterprises

WP5 – Transport

WP6 – Environment

WP8 – Energy efficiency

WP9 - Culture and tourism

WP10 – Urban development and social infrastructure

WP11[1] *– European Territorial Cooperation (case study Hungary-Slovakia Cross-border Cooperation programme)*

WP12 – Delivery system (case study on the assessment of capacity building financed by technical assistance - the case of Slovakia)

WP13 – Geography of expenditure

WP14 – Impact modelling

[1] The findings from WP11 – European Territorial Cooperation are summarised in a separate report as part of Task 3 of WP1.

Executive summary

Although the adverse effects were less intense than in some other EU countries, the global economic crisis caused a slowdown in Slovakian economic growth over the 2007–2013 period. This led to the employment rate declining by around 2 percentage points and the unemployment rate rising to 14% in 2013. Nonetheless, unlike most other EU Member States, Slovakia did not experience a double-dip recession and the rate of growth was above the EU average in most years.

Reginal disparities between the capital city region of Bratislava and the rest of the country are pronounced but, in terms of GDP per head and employment rates, they remained broadly unchanged over the 2007-2013 period.

In total, the ERDF and the Cohesion Fund support amounted to EUR 10 billion over the period, equivalent to around 2% of GDP and around 52% of Government capital expenditure. Funding allocated to the three Convergence regions was more than 5 times higher per head than that to the Competitiveness region of Bratislava.

Funding in Convergence regions was mainly used to support infrastructure, especially transport, energy and ICT, which together accounted for half of the total. Significant resources also went to environmental infrastructure and culture. In Bratislava, a higher priority was given to enterprise support. The division of funding between policy areas changed relatively little over the period, priority continuing to be given to long-term development objectives rather than to the short-term aim of countering the economic downturn.

Overall, the measures co-financed over the period led directly to the creation of an estimated 5 068 jobs. This was achieved, in part, through the support given to 504 RTD projects, 2 104 projects to help firms finance investment and another 279 projects to assist cooperation between SMEs and research centres.

In Transport, Cohesion policy accounted for an estimated 34% of total investment over the period. Support for investment was mainly focused on increasing the accessibility of eastern regions and led to the construction of 80 km of new roads, 41 km of them part of the trans-European Transport Network (TEN-T), and the upgrading of 64 km of railway lines on the TEN-T. It also led to the upgrading of 1 626 km of roads.

Funding for investment in environmental infrastructure, which accounted for 18% of the total available, resulted in an additional 44 195 or so people being connected to new or improved wastewater treatment facilities, and just over 33 000 more people being connected to clean drinking water supply. In addition, ERDF support added 191 Megawatts to the overall capacity to produce electricity from renewables, equivalent to around 7% of the total capacity in 2006.

The investment supported by Cohesion and rural development policies over the 2007-2013 period is estimated to have increased GDP in 2015 by 3.5% above the level it would have been in the absence of funding. In 2023, the increase in GDP as a result of the policies is estimated to be just over 3%.

1. The policy context and background

1.1. Macroeconomic situation

The adverse effects of the global recession were less severe in Slovakia than in many other EU Member States. After a period of continuous growth of over 6% annually between 2000 and 2007, GDP declined by 4% a year over the recession period 2007-2009 (Table 1). From 2010, the economy began to recover, and from then on, the GDP growth was well above the EU average. Despite this growth, however, the employment rate declined to 65% in 2011 and remained unchanged over the next two years before increasing to almost 68% in 2015. After falling from 19% to 11% in the previous 7 years, unemployment rose to almost 14% of the labour force in 2013, but it then fell to 11.5% in 2015 as employment increased.

Table 1 GDP growth, employment and unemployment, Slovakia and the EU, 2000-2015

	2000-07	2007-09	2009-11	2011-13	2013-2014	*2014-15*
GDP growth			*(Annual average % pa)*			
Slovakia	6.3	-0.1	4.0	1.5	2.5	3.5
EU average	2.3	-2.0	1.9	-0.1	1.4	1.9
	2000	**2007**	**2009**	**2011**	**2013**	**2015**
Employment rate (% 20-64)						
Slovakia	63.0	67.2	66.4	65.0	65.0	67.7
EU average	66.5	69.8	68.9	68.6	68.4	70.1
Unemployment rate (% lab force)						
Slovakia	19.1	11.1	12.0	13.6	14.2	11.5
EU average	9.2	7.1	8.9	9.6	10.8	9.3

Source: Eurostat, National accounts and Labour Force Survey

As in the preceding years, the public sector balance was in deficit throughout the programming period (Table 2). At the beginning of the period in 2007, the deficit was still around 2% of GDP despite the high rate of growth and the effect of the recession was to increase it sharply to 8% of GDP in 2009. From then on, the implementation of fiscal consolidation measures reduced the deficit to around 3% of GDP in 2013, and it remained at this level in 2015. As a consequence of the prolonged period of deficit, public debt increased from 30% of GDP in 2007 to 53% in 2015, still well below the EU average. Government investment was reduced relative to GDP as part of consolidation measures between 2009 and 2013, but it was then increased substantially in 2015 to 6% of GDP according to official figures.

Table 2 Government budget balance, accumulated debt and investment, Slovakia and the EU, 2000-2015

	2000	2007	2009	2011	2013	2015
Public sector balance			*(% GDP)*			
Slovakia	-12.0	-1.9	-7.9	-4.1	-2.7	-3.0
EU average	0.0	-0.9	-6.7	-4.5	-3.3	-2.4
Public sector debt						
Slovakia	49.6	29.9	36.0	43.3	55.0	52.9
EU average	60.6	57.9	73.1	81.1	85.5	85.2
General Govt investment						
Slovakia	3.6	3.1	3.8	3.7	3.2	6.2
EU average	2.9	3.2	3.7	3.3	3.0	2.9

Source: Eurostat Government financial accounts

1.2. Regional Disparities

Slovakia includes four NUTS 2 regions: Bratislavský kraj, Západné Slovensko, Stredné Slovensko and Východné Slovensko. During the 2007-2013 period, the three latter regions received funding under the Convergence Objective, Bratislavsky under the Competitiveness Objective.

Regional disparities in terms of GDP per head are pronounced, especially between Bratislava in the west and the other regions in the east, even allowing for the distorting effect of commuting (see Country folder for Slovakia). Disparities remained virtually unchanged over the 2007-2013 period. In 2007, Bratislavský had a GDP per head in PPS terms of 159% of the EU average, though this figure is pushed up by the high level of commuting into the region from the neighbouring one. In the three remaining regions, GDP per head was only around a third of that in Bratislavský (55% of the EU average). In 2014, at the end of the period, GDP per head in Bratislavský had risen to 186% of the EU average, while in the rest of the country, it had increased to 63% of the average, leaving the ratio between the two much the same. (Adjusted for commuting, the difference narrows to around 1.6 times instead of three times.)

The labour market indicators show some narrowing of disparities over the period. In 2007, the employment rate in Bratislavský was 77% of the population aged 20-64 and unemployment 4.3% of the labour force, while in the Convergence regions the employment rate averaged 65.5% and the unemployment rate 12.7%. In 2015, the employment rate in Bratislavský declined to 75% while in the rest of the country it rose slightly to 66.5%. At the same time, the unemployment rate was 5.7% in Bratislavský but had remained more or less unchanged in the other regions.

2. Main features of implementation of Cohesion Policy

2.1. Nature and scale of Cohesion Policy in the country

The national priorities, in line with the Community Strategic Guidelines for Cohesion policy in the 2007-2013 period, are set out in the Slovak National Strategic Reference Framework (NSRF). There are three strategic priorities: (1) infrastructure and regional accessibility, including education and health infrastructure as well as support for increasing renewable energy supply, waste management and the construction and improvement of roads and railways; (2) innovation, information society and knowledge economy, which comprises the development of electronic services (including in public administration) as well as support for R&D activities; and (3) human resources and education, with the aim of increase employment and the skills of the labour force.

The ERDF and the Cohesion Fund together amounted to almost EUR 10 billion[2] for the 2007-2013 programming period, equivalent to around 2% of Slovak GDP and to 52% of Government capital expenditure, which is higher than the average for EU12 countries (39%) (Table 3). Funding going to the Convergence regions amounted to around EUR 291 per head per year over the period, which is more than 5 times the amount allocated to Bratislava.

Cohesion policy was implemented through 9 Operational Programmes (OPs): two Regional OPs (one under the Competitiveness and Employment Objective and one under the Converge Objective) and 7 sectoral OPs (six under the Convergence Objective and one Multi-Objective OP, covering both Convergence and Competitiveness regions).

[2] The EU funds increased from the initial allocation. Since 2011 Slovakia received additional resources according to calculations carried out in line with the provisions of Article 17 of the Inter-institutional Agreement of May 2006 which states that "*In its technical adjustment for the year 2011, if it is established that any Member State's cumulated GDP for the years 2007-2009 has diverged by more than +/- 5 % from the cumulated GDP estimated when drawing up this Agreement, the Commission will adjust the amounts allocated from funds supporting cohesion to the Member State concerned for that period. The total net effect, whether positive or negative, of those adjustments may not exceed EUR 3 billion*."

Table 3 ERDF and Cohesion Fund resources and national co-financing for the period 2007-2013 in Slovakia, initial (2007) and last (April 2016)

	2007				2016			
	EU funding	National public funding	National private funding	Total	EU funding	National public funding	National private funding	Total
EUR million								
Convergence	9 639.8	1 774.0	-	11 413.9	9 769.4	1 796.9	-	11 566.2
Competitiveness	221.2	39.0	-	260.2	229.4	40.5	-	269.9
Total	9 861.0	1 813.1	-	11 674.1	9 998.7	1 837.4	-	11 836.1
Change, 2007-2014								
Convergence					*129.5*	*22.9*	-	*152.4*
Competitiveness					*8.2*	*1.4*	-	*9.7*
Total					*137.7*	*24.3*	-	*162.0*
% GDP	2.10	0.39	-	2.49	2.13	0.39	-	2.53
% Govt. capital expend	51.4	9.4	-	60.8	52.1	9.6	-	61.7
Per head (EUR) pa	261.3	48.1	-	309.4	265.0	48.7	-	313.7
of which: Convergence	287.4	52.9	-	340.2	291.2	53.6	-	344.8
Competitiveness	52.8	9.3	-	62.2	54.8	9.7	-	64.5
EU12								
% GDP	*2.15*	*0.43*	*0.06*	*2.63*	*2.17*	*0.36*	*0.08*	*2.61*
% Govt. capital expend	*38.3*	*7.6*	*1.0*	*46.9*	*38.7*	*6.4*	*1.4*	*46.5*
Per head (EUR) pa	*204.6*	*40.5*	*5.3*	*250.4*	*206.8*	*34.2*	*7.4*	*248.4*
of which: Convergence	*214.4*	*42.1*	*5.6*	*260.2*	*214.6*	*35.5*	*7.8*	*258.0*
Competitiveness	*69.7*	*12.3*	*-*	*82.0*	*70.1*	*12.2*	*0.2*	*82.5*

Note: EU funding relates to decided amounts as agreed in 2007 and as at 14 April 2016. The figures for % GDP and % Govt. capital expenditure relate to funding for the period as % of GDP and Govt. capital expenditure aggregated over the years 2007-2013. Govt. capital expend is the sum of General Government gross fixed capital formation and capital transfers. The EU12 figures are the total for the EU12 countries for comparison.

Source: DG Regional and Urban Policy, Inforegio database and Eurostat, national accounts and Government statistics

2.2. Division of funding between policy areas and changes over the period

The division of ERDF and Cohesion Fund financing between policy areas differed in Convergence regions from that in the Competitiveness one (Bratislavský) and the Multi-Objective programme (Research & Development OP) (Table 4). In particular, Transport, energy and ICT accounted for half of the funding in Convergence regions, reflecting the priority given to improving regional accessibility in the east of the country. In Convergence regions a relatively large share of funding also went to environmental infrastructure. On the other hand, in (Bratislavský, higher priority was given to Social infrastructure, culture and urban development and social infrastructure (the territorial dimension in the table), while, in addition to transport, energy and ICT, significant funding also went to enterprise support and innovation. The latter broad category accounted for most of the funding for the Multi-Objective programme.

Table 4 Division of ERDF financing for the 2007-2013 period in Slovakia by broad category

	Convergence		Competitiveness		Multi-Objective	
	EUR mn	% total	EUR mn	% total	EUR mn	% total
1.Enterprise support, innovation	471.2	5.4	23.2	24.3	778.4	64.4
2.Transport, energy, ICT (incl broadband)	4 383.5	50.4	30.1	31.7	168.0	13.9
3.Environmental	1 831.5	21.1	1.1	1.2	0.0	0.0
4.Social, culture+territorial dimension	1 675.3	19.3	37.3	39.2	230.4	19.0
5.Human capital - Labour market	18.5	0.2	0.0	0.0	0.0	0.0
6.Technical assistance, capacity building	314.1	3.6	3.5	3.7	32.7	2.7
Total	**8 694.1**	**100.0**	**95.2**	**100.0**	**1 209.4**	**100.0**

Note: Division of decided amounts of funding as at 14 April 2016. Territorial dimension' includes support for urban and rural regeneration and tourist services and measures to compensate for climate conditions.
Source: DG Regional and Urban Policy, Inforegio database

The main shifts in funding over the programming period were in transport (Table 5)[3], where there was a reduction in funding for roads and railways, partly offset by an increase in funding for other transport (urban transport). There were also substantial increases in funding for culture and social infrastructure, especially for education facilities, as well as for territorial projects (urban regeneration and tourist services). Significant shifts of funding also occurred within the environment and innovation and RTD.

Shifts in funding were largely made from areas where rates of implementation were slow to those where it was easier to spend the resources so as to increase absorption and avoid de-commitments under the n+2/3 rule.

Table 5 Division of financial resources in Slovakia for 2007-2013 by category, initial (2007) and last (April 2016) and shift between categories

	EUR million					% Total	
Category	2007	2016	Added	Deducted	Net shift	2007	2016
1.Innovation & RTD	1 094.9	1 156.0	221.5	-160.4	61.1	11.1	11.6
2.Entrepreneurship	50.7	30.6	-	-20.2	-20.2	0.5	0.3
3.Other investment in enterprise	53.4	87.4	34.0	-	34.0	0.5	0.9
4.ICT for citizens & business	1 082.7	991.1	5.0	-96.6	-91.6	11.0	9.9
5.Environment	1 870.0	1 825.0	291.9	-336.9	-45.0	19.0	18.3
6.Energy	168.8	191.8	46.7	-23.7	23.0	1.7	1.9
7.Broadband	80.8	-	-	-80.8	-80.8	0.8	-
8.Road	1 970.1	1 888.5	251.3	-332.9	-81.6	20.0	18.9
9.Rail	1 253.6	1 028.8	186.1	-410.9	-224.8	12.7	10.3
10.Other transport	243.2	408.8	264.7	-99.1	165.6	2.5	4.1
11.Human capital	-	-	-	-	-	-	-
12.Labour market	18.5	18.5	-	-	-	0.2	0.2
13.Culture & social infrastructure	1 323.2	1 537.5	360.4	-146.1	214.3	13.4	15.4
14.Social Inclusion	-	-	-	-	-	-	-
15.Territorial Dimension	306.8	472.4	189.6	-24.0	165.5	3.1	4.7
16.Capacity Building	5.4	5.4	-	-	-	0.1	0.1
17.Technical Assistance	338.7	356.8	40.5	-22.4	18.1	3.4	3.6
Total	**9 861.0**	**9 998.7**	**1 891.7**	**-1 754.0**	**137.7**	**100.0**	**100.0**

Note: 'Added' is the sum of additions made to resources in OPs where there was a net increase in the funding going to the category. 'Deducted' is the sum of deductions made to resources in OPs where there was a net reduction in funding. 'Social inclusion' includes measures to assist disadvantaged groups and migrants. 'Territorial dimension' includes support for urban and rural regeneration and tourist services and measures to compensate for climate conditions.
Source: DG Regional and Urban Policy, Inforegio database, April 2016

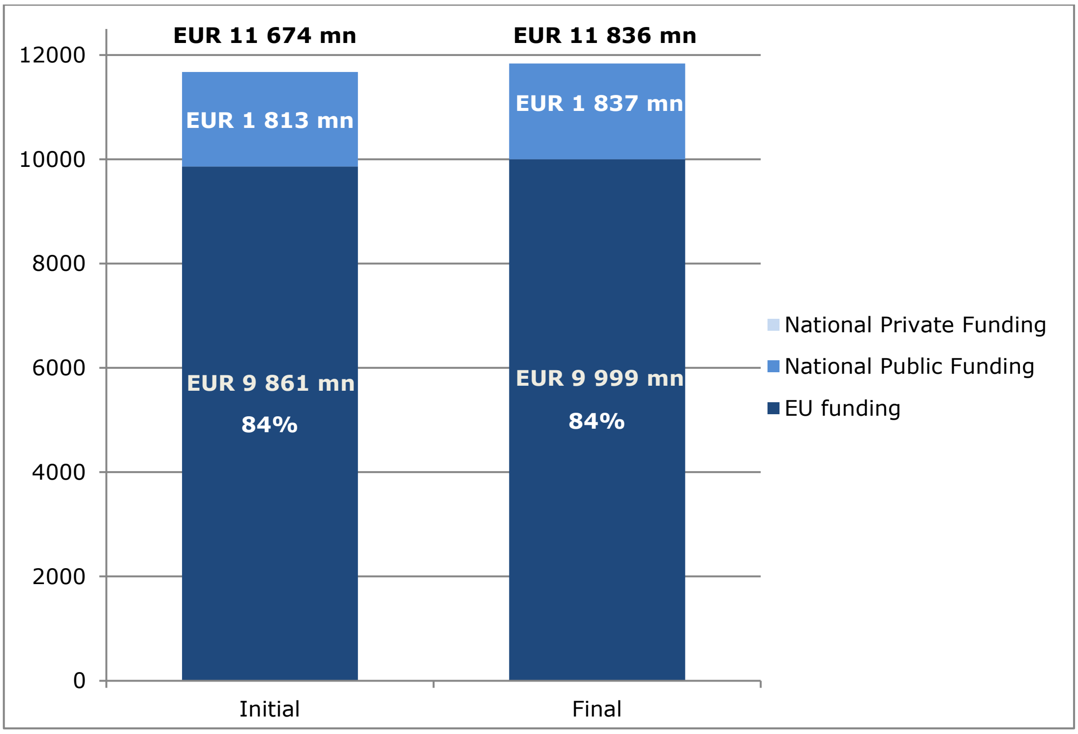
2.3. Policy implementation

Despite fiscal consolidation, the amount of finance available for ERDF and Cohesion Fund programmes remained virtually unchanged over the period (Figure 1). The average EU co-financing rate remained the same, while the total funding available

[3] The 17 categories shown in the table are aggregations of the more detailed 87 categories into which expenditure was divided in the period for reporting purposes.

increased slightly as result of small increases in both EU and national funding (the former by EUR 138 million, the latter by EUR 24 million)[4].

Figure 1 Total ERDF going to expenditure on Cohesion policy programmes for the 2007-2013 period, initial planned amount and final amount (EUR mn)



Source: DG Regional Policy financial data, 14 April 2016

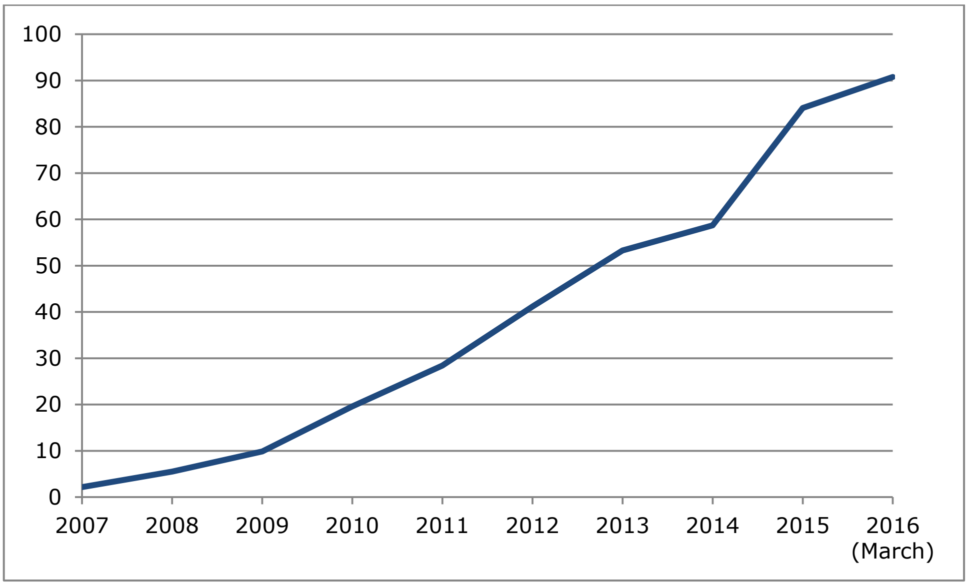
The rate of programme implementation, as reflected in payments from the Commission, fluctuated over the period (Figure 2). The initial low rate was due to the late adoption of programmes (only at the end of 2007) and a period of fine-tuning the implementation. Several factors explain the initial delay, such as bureaucratic procedures, difficulties in public procurement relating to project selection and approval, differences in administrative capacity between ministries and intermediary bodies and difficulties in preparing and obtaining approval for major projects[5].

The economic downturn also led to some slowdown in implementation. From the end of 2009, the rate of implementation gradually increased in the majority of OPs, though, at the end of 2014, payments were still less than 60% of the funding available. This was followed by a marked acceleration, so that by the end of March 2016, payments from the ERDF and Cohesion Fund for expenditure incurred amounted to 91% of funding available (Figure 2), suggesting that all the funding is likely to be absorbed by closure.

[4] See footnote 2 on the provisions of Article 17 of the Inter-institutional Agreement of May 2006.

[5] The Central Coordination Authority (CCA) (Ministry of Transport, Construction and Regional Development) set up a special committee "Steering Committee" in order to increase the rate of programme implementation of. MAs were obliged to submit indicative plans quarterly relating to contracting and financial implementation which were then assessed by the CCA.

Figure 2 Time profile of payments from the ERDF and the Cohesion Fund to Slovakia for the 2007-2013 period (% of total funding available)



Source: DG Regional Policy financial data, end-March 2016

2.4. Delivery system (WP12)

An evaluation of the management and implementation of Cohesion policy over the 2007-2013 period was carried out by WP12[6]. The procedures for the implementation of OPs in Slovakia over the period were somewhat below the expected standard, as indicated by the evidence compiled by the evaluation[7]. The main issues were the following:

- The large number of implementing bodies along with an unclear distribution of responsibilities among them often resulting in insufficient and ineffective coordination between authorities, with frequent changes in the assignment of responsibilities;
- A high staff turnover together with low remuneration and high workload having an adverse effect on performance;
- The inadequate development and implementation of IT systems which lacked functionality (e.g. a weakness of the initial central system was that the data were difficult to use for evaluation purposes). Consequently, problems with monitoring and reporting systems slowed down the implementation of OPs.

Technical assistance was included in all the OPs, accounting for 3% of total funding. In most OPs, the majority of technical assistance funding was earmarked for covering employment costs[8]. The Technical assistance OP, which received more than EUR 100 million, was aimed at ensuring the effective, efficient and adequate management, implementation, financial management, control and audit of the Structural Funds and of the Cohesion Fund in the years 2007–2013. The evaluation undertaken under WP12 found that the OP helped to achieve some positive results, such as improving the IT systems. However, it was unable to positively influence the factors that caused most

[6] The WP12 report is published at http://ec.europa.eu/regional_policy/en/policy/evaluations/ec/2007-2013/#1?.

[7] A case study was carried out as part of: Assessment of capacity building financed by technical assistance (Task 5), Delivery System, WP12, see http://ec.europa.eu/regional_policy/en/policy/evaluations/ec/2007-2013/%231?#1.

[8] In Operational Programme Competitiveness and Economic Growth, for example, the share of wages in total technical assistance reached nearly 90%. In the rest of the Operational Programmes the share of wages in total technical assistance varied between 47% and 73%.

of the problems, such as the high level of political influence, or to reduce delays in public procurement procedures.

3. The outcome of Cohesion Policy programmes – main findings from the ex post evaluation

The main findings summarised here come from the evaluations carried out under the Work Packages (WPs) of the ex-post evaluation exercise, which covered in detail the following policy areas:

- Support to SMEs – increasing research and innovation in SMEs and SME development (WP2);
- Financial instruments for enterprises (WP3);
- Support to large enterprises (WP4);
- Transport (WP5);
- Environment (WP6);
- Energy efficiency in public and residential buildings (WP8);
- Culture and tourism (WP9);
- Urban development and social infrastructure (WP10);
- European Territorial Cooperation (WP11);
- Delivery system (WP12);
- Geography of expenditure (WP13);
- The impact of cohesion policy 2007-2013: model simulations with Quest III and Rhomolo (WP14).

All of these are relevant for Slovakia. Although ERDF resources were allocated to support to large enterprises, the thematic evaluation carried out by WP4 does not mention any relevant information for Slovakia. The evaluation of ETC (WP11), it should be noted, is the subject of a separate report. The findings of WP12 were outlined above, while the estimates produced by WP13 on the allocation of funding and of expenditure between regions are not considered here[9].

3.1. Enterprise support and innovation (WP2, WP3 and WP4)

The total funding going to this broad policy area amounted to EUR 1.3 billion, representing around 13% of total funding for Slovakia. Of this, the larger share of funding went to RTD and innovation projects (90%).

Overall, up to the end of 2014, 504 RTD projects had been supported, as well as 279 projects supporting cooperation between companies and research centres. The support provided helped to start up 291 new businesses and co-financed 2 104 investment projects in SMEs. In total, over the country as whole, an estimated 3 111 full-time equivalent jobs in SMEs, in gross terms, were directly created as a result of the funding, together with 40 research jobs (see Table 6 at the end of this section).

SME support, R&D and innovation (WP2)

Expenditure on R&D in Slovakia, by both the public and private sectors, was relatively low. Expenditure in the private sector, which is composed to a large extent of SMEs with a low level of technology intensity, is heavily dependent on public funding.

In the 2007-2013 programming period, Slovakia had one of the smallest shares of funding allocated to general business support (just 1%, or EUR 118 million). Support

[9] They are available at: http://ec.europa.eu/regional_policy/en/policy/evaluations/ec/2007-2013/#1.

for SMEs and business innovation was also limited, accounting for 5% of funding, or EUR 487 million. The support was concentrated on a relatively small number of measures directed at SMEs[10] (5 to 10 in the OPs examined as opposed to an average of 13 in the EU as a whole). Support predominantly took the form of non-repayable grants to individual SMEs, or groups of small firms, but also to a few large enterprises.

Financial Instruments for enterprises (WP3)

In the 2007-2013 period, there was limited use of Financial Instruments (FIs). The ERDF allocated to these amounted to around EUR 85 million, or about 6% of the total going to enterprise support. By the end of 2014, all of the funding allocated had been paid into the respective funds, but only 12% had reached final recipients.

FIs were adopted in order to ease the access of SMEs to capital as well as to support energy efficiency and renewable energy projects. Overall, a total of 6 funds were supported: a JEREMIE Holding Fund, managed by the EIB and 5 specific funds (5 of these being linked to the JEREMIE Holding Fund). Loans and guarantees were the predominant form of support, while venture capital was used to a limited extent.

3.2. Transport (WP5)

Some EUR 3.3 billion was allocated to transport projects, which represented around 33% of the total ERDF and Cohesion Fund available. Priority was given to investment in roads (accounting for 57% of total funding going to transport) and, to a lesser extent, in railways (31%), while relatively little went to other transport (around 12% of the total). The funding amounted to an estimated 39% of the total investment in transport over the period.

Funding helped to construct 80 km of new roads, of which 41 km were on the TEN-T, and led to the improvement of another 1 626 km of roads. It also co-financed the upgrading of 64 km of railway lines on the TEN-T (see Table 6 at the end of this section).

The evaluation under WP5 indicates that funded projects improved transport links between Slovakia and the rest of the EU as well as between the eastern regions and the capital city region.

3.3. Environmental infrastructure (WP6)

Some 18% of total funding went to Environmental infrastructure (mainly through the Environment OP). The evaluation carried out by WP6 focussed on investment in waste management and water infrastructure, to which nearly 12% of the total budget was allocated. In particular, a significant amount of funding (EUR 796 million or 8% of the total) went to wastewater projects.

A recent study of the European Court of Auditors found that Cohesion Policy support *"has played a key role in bringing forward waste water collection and treatment in Slovakia, however not sufficient to meet the EU objectives in this"*[11].

With regard to the other areas covered by the WP12 evaluation, the analysis showed that by 2013 Slovakia had closed 67 landfills not meeting EU standards and increased the share of municipal waste recycled (which however remained below 5%). In addition, the investment co-financed resulted in an additional 33 thousand people

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[10] Examples are grants for the introduction of innovative and advanced technologies in industry and services, support for business start-ups, grants for technology transfer and the improvement of networking between SMEs and research centres, for the use of renewable energy sources, and for the refurbishment of heat distribution facilities.

[11] EU Court of Auditors, EU funding of urban waste water treatment plants in the Danube river basin: further efforts needed in helping Member States to achieve EU waste water policy objectives, Special report No. 02/2015.

being connected to mains water supply and 44 thousand more people being connected to new or upgraded wastewater treatment facilities (see Table 6 at the end of this section).

3.4. Energy efficiency in public and residential buildings (WP8)

Support for investment to improve energy efficiency amounted to some EUR 91 million, or just 1% of the total funding available. The schemes to improve energy efficiency in public and residential buildings, which was the focus of the evaluation carried out under WP8, were co-financed through non-repayable grants and to a lesser extent through loans, e.g. the use of interest-free loans through the Government Thermal Insulation Programme. The support to residential buildings targeted specific types of buildings such as single or double dwelling family houses (programme to improve thermal properties of buildings – building insulation) and old apartment blocks built during the Soviet era (Housing Development Support Programme: removal of system defects in blocks of flats).

3.5. Culture and tourism (WP9)

Over the programming period, EUR 346 million went to culture and tourism, or 3.5% of the total funding available. Support for tourism amounted to EUR 146 million and the one for culture to EUR 200 million. With regard to the latter, support went partly to the protection and preservation of the cultural heritage and partly to the development of cultural infrastructure. Support was exclusively in the form of non-repayable grants.

The main objective in the case of culture was economic diversification and to strengthen social cohesion, while in the case of tourism, the focus was on innovation.

Overall, the co-financed investment resulted in 733 new jobs in tourism up to the end of 2014.

3.6. Urban development and social infrastructure (WP10)

In total, EUR 1.6 billion went to supporting investment in urban development and social infrastructure over the period, corresponding to 17% of the overall funding available (equivalent to some EUR 300 per head, around 5 five times higher than the EU average).

Over 80% of the allocation (EUR 1.3 billion) went to finance investment in social infrastructure, particularly in education buildings and equipment and, to a lesser extent, in healthcare facilities.

3.7. ETC (WP11)

Slovakia was involved in 4 INTERREG programmes financed under the Cross-border Cooperation strand of the ETC Objective. These were, respectively, with the Czech Republic, Austria, Poland and Hungary. The ETC-funded programmes are the subject of a separate report.

3.8. Impact on GDP (WP14)

The investment supported by Cohesion and rural development policies over the 2007-2013 period is estimated to have increased GDP in 2015 by 3.5% above the level it would have been in the absence of funding[12]. In 2023, it is further estimated that GDP will be just over 3% higher than it otherwise would be without the policies.

[12] Estimates by the Quest model, a new-Keynesian dynamic general equilibrium model in kind widely used in economic policy research, developed by DG Economic and Financial Affairs to assess the effects of policies. See The impact of Cohesion Policy 2007-2013: model simulations with Quest III, WP14a, final report,

3.9. Overview of achievements

Up to the end of 2014, the investment undertaken with support from the ERDF and the Cohesion Fund for the 2007-2013 period is estimated to have resulted in the direct creation of 5 068 gross jobs (Table 6). In addition to the achievements reported above, support for investment in renewable energy added 191 Megawatts to the overall capacity to produce electricity from renewables, the equivalent of about 7% of total capacity in 2006.

It should be emphasised that since not all MAs reported all of the core indicators, and in some cases, only a minority, the figures tend to understate achievements, perhaps substantially. In addition, the data reported relate to the situation at the end of 2014, one year before the official end of the period in terms of the expenditure which can be financed, so that they also understate achievements over the programming period because of this.

Table 6 Values of core indicators for ERDF co-financed programmes in Slovakia for 2007-2013 period, as at end-2014

Core Indicator Code	Core and common indicators official name	Value up to end-2014
1	Jobs created	5 068
4	Number of RTD projects	504
5	Number of cooperation project enterprises-research institutions	279
6	Research jobs created	40
7	Number of direct investment aid projects to SME	2 104
8	Number of start-ups supported	291
9	Jobs created in SME (gross, full time equivalent)	3 111
14	km of new roads	80
15	km of new TEN_T roads	41
16	km of reconstructed roads	1 626
18	km of TEN_T railroads	64
19	km of reconstructed railroads	64
24	Additional capacity of renewable energy production	191
25	Additional population served by water projects	33 019
26	Additional population served by waste water projects	44 195
29	Area rehabilitated (km2)	1
35	Number of jobs created in tourism	733

Note: The figures in the table are those reported by MAs in Annual Implementation Reports. Core indicators for which no data were reported by the Member State are not included.
Source: Annual Implementation Reports, 2014 and DG Regional Policy post-processing of these, August 2016

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http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp14a_final_report_en.pdf.

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