

Financovanie klimatickej neutrality Slovenska 2050: Analýza súčasnej situácie a kľúčových výziev

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Zhrnutie

Slovensko vyhlásilo dosiahnutie klimatickej neutrality do roku 2050 za svoj oficiálny cieľ, pripájajúc sa tak ku krajinám, ktoré produkujú 75% svetového HDP a zahŕňajú najvyspelejšie ekonomiky sveta. Splnenie tohto cieľa vyžaduje bezprecedentne hlbokú a rýchlu ekonomickú a sociálnu zmenu ku dekarbonizovanej ekonomike. Zatiaľ čo medzi rokmi 1991 a 2019 klesli emisie EÚ o 24%, teraz sa majú znížiť o ďalších 30% do roku 2030. Avšak jednoducho a lacno dosiahnuteľné riešenia sú vyčerpané a každé ďalšie percento znížených emisií bude drahšie, ako to predošlé.

Táto správa hodnotí ostatný vývoj v oblasti klimatickej politiky a s ňou spojených rozpráv a investícií na Slovensku v porovnaní s medzinárodnými, Európskymi a domácimi cieľmi. Opiera sa o politické analýzy programových dokumentov a zameriava sa na nedávny vývoj v roku 2021, ako podstatné obdobie pre posun k vyhlásenej klimatickej neutrality. Kľúčové odporúčania sú:

Vytvoriť podporu verejnosti: *Klimatická neutralita je jedinečná príležitosť pre ekonomickú a sociálnu transformáciu vedúcu nie iba k mitigácii alebo adaptácii na zmenu klímy, ale taktiež ku konkurencieschopnosti priemyslu a služieb.*

Zabezpečiť sociálny rozmer transformácie: *Rozvoj nástrojov sociálneho štátu prináša jednoznačné definície zraniteľných domácností, čo vedie k ľahko definovanej a overiteľnej oprávnenosti ľudí na získanie sociálnych dávok a cielej pomoci v oblasti energetickej efektívnosti a OZE pre zraniteľné domácnosti.*

Klimaticky hodnotiť verejné investície: *Vývoj nástrojov na hodnotenie všetkých verejných investícií na základe 6 oblastí taxonómie, zakomponovanie taxonómie ako klasifikačného systému všetkých verejných investícií, vytvorenie zoznamu environmentálne udržateľných ekonomických aktivít a vyvarovanie sa investícií do klimaticky neprijateľných projektov a aktivít.*

Budovať synergie namiesto prekrývania sa: *Zlepšiť politické a manažérske rámce na budovanie komplementárnosti a spolupráce medzi rôznymi dostupnými a budúcimi zdrojmi financovania klimatickej neutrality.*

Zlepšiť implementačný rámec: *Efektívne využívanie dostupných zdrojov vyžaduje budovanie hodnotenia skúseností s kohéznymi politikami a ďalší vývoj efektívneho systému na implementáciu a zvýšenie absorpčných kapacít.*

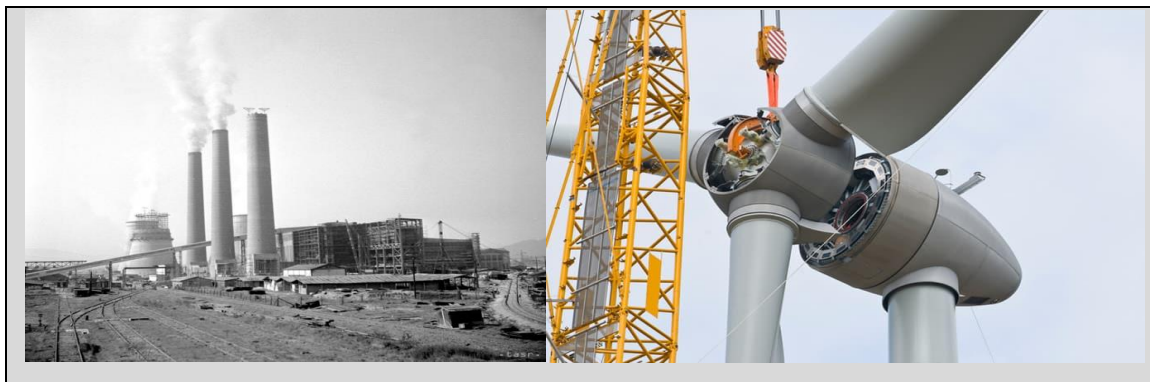
Na začiatku predloženého materiálu mapujeme nedávny vývoj klimatickej zmeny, zahŕňajúc verejný diskurz a analyzujeme politický rámec dekarbonizácie krajiny. Kľúčová časť správy obsahuje analýzy financovania neutrality. Analyzujeme prístup štátu a jeho nástrojov a poskytujeme komplexný obraz grantovej schémy EÚ. Sústreďime sa na Národný plán obnovy a odolnosti, mechanizmus Spravodlivej transformácie a Operačný program Slovensko.

Následne je zmapovaný a analyzovaný vplyv emisií skleníkových plynov z Národného plánu obnovy a odolnosti a zo slovenských operačných programov kohéznych politík. Diskutuje sa aj o komplementárnosti a prekryvoch možností financovania. Okrem dobrého programovania a zacielenia na dostupné zdroje je veľmi dôležitá aj otázka implementácie a absorpčnej kapacity krajiny. Táto časť preto spracováva predošlé skúsenosti s implementáciou kohéznych politík. Správa končí budúcimi dôsledkami a odporúčaniami relevantnými pre budúcnosť financovania klimatickej neutrality.

Ambiciózný cieľ do roku 2030 a hlavne pre klimatickú neutralitu do roku 2050 bude vyžadovať posun od prírastkových zmien ku komplexnejším reformám. Ekonomické a sociálne náklady dekarbonizácie

budú značné. Ceny energií sa zvýšia, čo bude viesť k zvýšenej cene tovarov a služieb. Veľa ľudí bude čeliť neistote na pracovnom trhu kvôli kombinovaným efektom Priemyslu 4.0 a automatizácie s dopadmi dekarbonizačných politík. Ak nebudú negatívne efekty dostatočne skoro identifikované a riešené, veľká časť verejnosti sa môže obrátiť proti týmto politikám.

Vznikajúci rámec spravodlivej transformácie sociálneho financovania je krokom vpred, otázkou však je, či to bude stačiť a či sa takáto zásadná zmena dá realizovať bez celkovej environmentálnej daňovej reformy založenej na princípe solidarity. Udržanie cieľov klimatickej neutrality pri zachovaní sociálneho mieru si vyžaduje jasný záväzok voči dlhodobému cieľu, pričom treba začať s okamžitými, no premyslenými krokmi.



Financing the climate neutrality of Slovakia 2050: Analysis of the current situation and key challenges

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© Photo on the cover: May 23, 1956 and the construction of the Nováky II power plant. in Zemianske Kostolany. TASR / Jozef Teslik. Wind turbine construction un the USA/Licencia Creative Commons

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About this report

The report is published as a part of the project *Modelling and Policy Evaluations for Climate Neutral Slovakia*, supported by the European Climate Foundation (ECF). It is elaborated under the project Activity 3: Better focused financing, improvement of investments planning and supporting climate neutrality by targeted financial interventions.

The report has three main goals:

- Analyses of programming, focusing and coordination among the key funding mechanisms for climate change mitigation available in Slovakia (European Structural and Investment Funds, Recovery Plan, State budget/State Aid) and development of policy recommendations
- Report on GHG emissions impact of Slovakia's National Recovery and Resilience Plan
- Report on GHG emissions impact of Slovakia's Operational Programmes for Cohesion Policy

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Table of Content

Summary 7

Introduction 9

I. Context of the climate neutrality 10

I.1. Public discourse and public support 11

II. General Policy Framework 12

III. Financing the neutrality 13

III.1. The EU Funds 14

III.1.1. Just Transition Mechanism 17

III.1.2. Fit for 55 17

III.2. National Recovery and Resilience Plan 18

III.3. Complementarity among the financial schemes 21

III.3.1. RRP and OP Slovakia 22

III.4. Lessons Learned from Cohesion Policy 24

IV. Towards climate neutrality 27

IV.1. Managing finances for climate neutrality 28

IV.2. Financing climate neutrality 31

V. Conclusions and Recommendations 32

List of Abbreviations 34

Annex 1. Recovery and Resilience Plan – Climate change mitigation Assessment 35

Summary

Slovakia declared climate neutrality 2050 as its official goals, joining the club of countries that already account for 75% of the world GDP and include the most advanced global economies. Following this goal means unprecedentedly deep and rapid economic and social transformation towards decarbonised economy. While between 1991 and 2019, EU emissions fell by 24%, now they should fall by another 31% by 2030. Yet, the low-hanging fruits of relatively light and cheap solutions are depleted and each additional percentage costs more than the previous one.

This report provides a framework assessment of the latest development of climate policies, discourses and investments in Slovakia vis-a-vis the international, the European Union and domestic targets and goals. It is written based on policy analyses of the programming documents and it is focusing on the recent development in 2021 as a relevant period for making progress towards declared climate neutrality. Its key recommendations are following:

Generate public support: *Climate neutrality is an unique opportunity for economic and social transformation leading not only to mitigation/adaptation to climate change, but also to competitiveness of the industry and service.*

Secure social dimension of the transformation: *Development of instruments of welfare state, bringing in unambiguous definitions of vulnerable households leading to easily defined and verified eligibility of the people for social compensations and for targeted support in energy efficiency and RES for vulnerable households*

Climate assessment of public investments: *Development of assessment tool for all public investments using six taxonomy areas, implementation of taxonomy as a classification system on all public investments, establishing a list of environmentally sustainable economic activities and preventing investments to climate adverse projects and activities.*

Building synergies instead of overlaps: *Enhance policy and management framework for building complementarities and synergies among various available and upcoming sources of financing for climate neutrality.*

Enhance implementation framework: *Effective use of the available resources would require to build on the assessment of the cohesion policies experience and further develop effective system for implementation and increasing absorption capacities.*

In the opening part of the text we map recent development in the climate change, including the public discourse, and analyse general policy framework of decarbonisation of the country. The key part of the report deals with analyses of the financing the neutrality. Here we analyse the state and its tools and provide a complex picture of the EU funding network. Specific focus is paid to the National Recovery and Resilience Plan, Just transition Mechanism, and Operational Programme Slovakia.

GHG emissions impact of Slovakia's National Recovery and Resilience Plan and from the Slovakia's Operational Programmes for Cohesion Policy are then mapped and analysed. Complementarities and overlaps among the funding opportunities are discussed. Besides good programming and targeting of the available recourses there is also very important issue of implementation and absorption capacity in the country. This part therefore elaborates on the previous experience in cohesion policies implementation. The report concludes with implications for the future and recommendations relevant for the future of the financing climate neutrality.

The ambitious goals for 2030 and especially for climate neutrality for 2050 will require to go from incremental changes to a more complex reform. The economic and social costs of decarbonisation will be significant. Energy prices will go up, leading to increased costs for goods and services. Many people will face insecurity at the labour market imposed by combined effects of Industry 4.0 and automatization, with impacts of decarbonisation policies. If the negative effects are not identified early enough and addresses, a large part of the public can turn against this policy.

The emerging framework of just transition of social funding is a step forward, but the question is whether this will be enough and whether such a fundamental change can be implemented without an overall environmental tax reform based on the principle of solidarity. Keeping the goals of climate neutrality while maintaining social peace requires a clear commitment to the long-term goal while starting with immediate yet deliberated steps.

Introduction

The first regions where the Slovakia started with targeted policies and support aimed to decarbonisation is Upper Nitra. The future of coal mining here opened very important debate and the Government of the Slovak Republic decided that the mining should terminate by 2023.¹ It has received support from NGOs, local municipalities and business community.² Decision and affiliated public debates helped to paved a way for future discussion on Slovak economy decarbonisation and regional decarbonisation plans. Yet in the same time, it revealed, that decarbonisation is rather complicated process in Slovakia with its manufacturing bases and strong history of carbon intensive industries. It also points out to deeper structural problems of the economy affiliated with demography, structure of the industry with low added value, lower purchasing power, problematic connection of the R&D with practise, and last but not least, with the weak capacities of the key stakeholders.³

Achieving a climate neutrality by 2050 is determined by the Paris Climate Agreement of 2015. According to the European Commission, this is essential if we want to keep the warming of our planet below 1.5 ° C. Slovakia undersigned to this commitment in June 2019. Policy of Slovakia in the area of climate change is defined by the framework of the UN and European Union and mutually agreed goals and targets. According to the NDC Slovakia should aim to reduce its emissions by 12 percent (DC EU First NDC Updated submission, English18/12/2020).

Yet more ambitious are gradually EU targets affecting Slovak climate policies. As a part of the European Green Deal, the Commission proposed in September 2020 to raise the 2030 greenhouse gas emission reduction target, including emissions and removals, to at least 55% compared to 1990. The share of Slovakia in reaching this figure is yet not final (Greenhouse gas emissions in non-ETS as of 2005 should decrease by - 20 %)⁴, but the process already significantly shapes emerging national strategic framework for mitigation and adaptation to climate change.

In spite of commitment to the 2050 climate neutrality and increasing number/quality of the strategies, policies and legislation, the country often goes for low ambitions standards in its policy goal – i.e., fulfilling EU framework as the least common denominator, but avoiding stronger policies and goals. In addition, enhancement of the implementation and enforcement of already existing policies and law remains a persistent problem.

On the positive note, in the past five years there has been strong improvement in energy efficiency (both households and industry), installations of renewable energy are growing and the Slovak 2020 targets in CO₂ emissions reduction were met. The country will by 2023 close its only remaining coal mining industry and development of regional decarbonisation strategies is in progress.

¹ Resolution no. 580 (12 December 2018) on the *Proposal for the Transformation of the Region of Upper Nitra*.

² See, for instance, Future of the Region Roundtable outcomes <http://www.prievidza.sk/spravodajstvo/horna-nitra-je-zivotaschopny-region/> The roundtable was organised on September 18, 2018 by the mayor of Prievidza.

³ Small and Medium Enterprises in the Upper Nitra region - Scope and challenges in a socially sensitive, low-carbon industrial transition (Expert study) Available at: https://ec.europa.eu/regional_policy/it/information/publications/studies/2020/small-and-medium-enterprises-in-the-upper-nitra-region-scope-and-challenges-in-a-socially-sensitive-low-carbon-industrial-transition

⁴ Integrated national energy and climate plan for the years 2021 – 2030 (processed in accordance with Regulation EU No. 2018/1999 on Energy Union governance and climate action) Version October 2019.

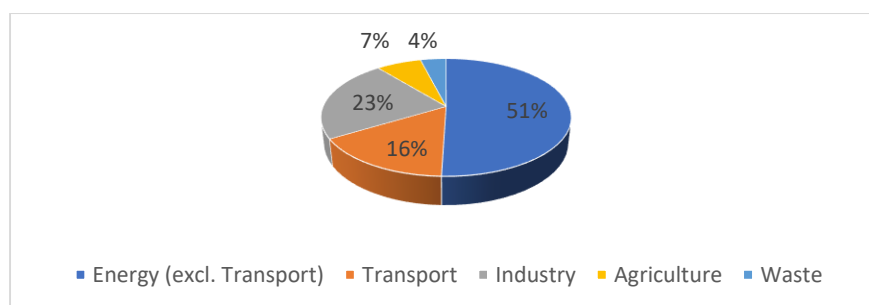
The European Green Deal provides crucial impetus for stimulating policy responses in its member states, and the July 2021 approved climate package of “Fit for 55” should further accelerate transformation.

There are problems arising. The so called “low hanging fruits” in emission reduction are decreasing and the EU 2030 and 2050 targets will impose on Slovakia challenging economic and social tasks. The country is increasingly exposed to climate change adaptation problems. The upcoming period would require stronger commitment of the governments and more support from the public.

I. Context of the climate neutrality

The main sources of GHG emissions in Slovakia and the biggest challenges for mitigation policies in Slovakia are currently energy sector, industry and transport, followed by agriculture and waste management (Figure 1). When we compare long term data series⁵ from 1990s and 2000s, we see there two trends. On the one hand there is a decrease in emissions from energy (from 67% in 1990 to 51%) and increase in transport, industrial processes and waste. These figures indicate better management of energy and energy efficiency, while Slovakia went through reindustrialization processes affiliated with transfer of some productions from the West to the East (an increase in transport is partly due to the same fact). In 2020, industry created as many as 36,06% of total employment.⁶ Number of Registered Vehicles was reported at 3,2 mill. of unit in Dec 2019. In 2008 it was 2,1 million.⁷

Figure 1. Greenhouse gas emissions by sector (2016)



Source: SHMU, 2016.

The country is on average richer and changing lifestyles are best demonstrated on personal cars availability and affiliated emissions. Influencing individual consumptions is one of the most challenging issues in public policies. Radical decarbonization will inevitably touch upon the most important sectors

⁵ See EEA database at: <https://www.eea.europa.eu/data-and-maps/data/data-viewers/greenhouse-gases-viewer>

⁶ See data from EUROSTAT: <https://ec.europa.eu/eurostat>

⁷ Statistics of CEIC, available at: <https://www.ceicdata.com/en/indicator/slovakia/number-of-registered-vehicles>

of production (i.e., number of people working in manufacturing industries) and it will affect prices of energy (e.g., through internalization of external costs of production and consumption).

Various impacts will be seen in land use, land use change and forestry (LULUCF), with binding requirement for each EU country to make sure that emissions from these sectors are compensated by CO₂ removals (the 'no debit' rule). Here the inclusion of carbon sinks in the EU's 2030 greenhouse gas reduction target will transform into increased targets for sequestering.⁸

I.1. Public discourse and public support

In the context of rising ambitions and targets, it is of crucial importance to build consensus in the society and enable the process with public support. The main advancements regarding the domestic discourse on climate change since the Paris Agreement 2015 are visible especially in the last years and period from 2018 on. While past years were characterised by generally small media and public interest, there were at least three recent factors improving the process: (i) International discourse transformed into national debate; (ii) Phasing out coal and decarbonisation processes in progress; and (iii) Investment opportunities affiliated with Recovery and Resilience Plan and other EU funding schemes.

Recent acceleration of the debate was generally stimulated by international calls for action and its domestic responses. *The Friday for Future* as a new emerging civic platform in Slovakia organised its first protest on August 20, 2018. Increasingly active has been platform *Worried Mothers: Let's not burn the future!* Here concerned mothers have joined forces in an initiative to protect the climate and the environment.

Perhaps the most important activity in this respect is petition „*Climate Needs You.*“ It started in 2020. By the summer of 2021 they collected more than 50 000 signatures, aiming for the target value of 100 000 (in the country of 5,4 million). The aim of the petition is to push the Slovak government to recognize the climate crisis as one of its main priorities and to declare a state of climate emergency, while commit the government to the preparation and approval of legislation, state policies and state projects with the goal of achieving carbon neutrality in 2040.

The Slovak Climate Initiative was created as an association that brings together NGOs, academia and the business sector. The founding members of SKI are Buildings for the Future, the Slovak Association of Photovoltaic Industry and RES, Friends of the Earth - CEPA and the Prognostic Institute of the Slovak Academy of Sciences. Slovak Euractive News and Information service branch has been very active in organising public debates and events and stimulated professional debate on climate change and energy related topics.

Based on this and other activities, there is generally improving situation in public engagement and interest in the climate policies, programs and projects. Although, while there is growing interest among the professional organisations in the topic, there is still rather small number of climate aware and active entities especially in the field of energy, transport and industrial policies. Positive trend is increasing engagement of academia and business sector.

⁸ According to EurActive, during the negotiations on Europe's climate law, the Commission said it would consider proposing a target of sequestering 300 million tonnes of carbon – up from the current aim of 225 million. A leaked draft of the LULUCF regulation shows that the Commission is aiming for -310 million tonnes of carbon sequestration. More information at: <https://www.euractiv.com/section/energy-environment/news/europes-fit-for-55-climate-package-what-to-expect/>

One of the important factors in generating interests and stimulating public debate has been phasing out coal. The future of coal mining in Upper Nitra opened very important debate and the Government of the Slovak Republic decided that the coal mining should terminate by 2023.⁹ There was decreasing support for the continuation of the coal mining subsidy system among the coalition and opposition parties and for the time being, there is practically no relevant political party or subject in Slovak Republic questioning the decision. Phasing out coal has support from NGOs, local municipalities and business community.¹⁰ Decision and affiliated public debated helped to paved way for future discussion on decision making on Slovak economy decarbonisation and regional decarbonisation plans.

Investment opportunities affiliated with Recovery and Resilience Plan (RRP). Partnership Agreement 2021-2027 and other EU funding schemes helped to open public debate on the needs and general future transformation of the country. Public debate on RRP priorities and its focus on decarbonisation brought into the public debate important stimulus. Last but not least, because of the climate tags and fixed percentages in the financial instruments earmarked for climate investments, government has been forced to aim them very clearly to the climate projects.

II. General Policy Framework

A positive role in shaping public discourse is played by the President of the Slovak Republic and her office, bringing the issues into the public debate and supporting civic initiatives. Although position of the president is relatively weak in the contexts of executive powers, it has a strong symbolic position and role in steering public debate.

The political statements by the government which support investments into decarbonisation of national economy are to some extent propelled by the general targets and goals of the EU and pressure for adjusting national investment priorities with technical climate-oriented requirements of the funding. On the other hand, there is no open opposition to the climate policies among the coalition and mainstream opposition parties.

Important step was establishment of the *Council of the Government of the Slovak Republic for the European Green Agreement*. It is an advisory, coordinating and initiative body of the Government of the Slovak Republic for issues related to the European Green Agreement. It coordinates the activities and cooperation of ministries, local governments and other state administration bodies. The Council will monitor the coordination of sectoral policies and monitor compliance with the transition to a carbon-neutral economy. On April 20, 2021 there was opening meeting of the Council, where six basic points were adopted to be followed by central government bodies in their strategies and policies. These include reducing greenhouse gas emissions, adapting to climate change, restoring and protecting biodiversity, promoting environmental sustainability, striving for progress in regenerative growth and the transition to a circular economy with no-pollution strategy.

⁹ Resolution no. 580 (12 December 2018) on the *Proposal for the Transformation of the Region of Upper Nitra*.

¹⁰ See, for instance, Future of the Region Roundtable outcomes <http://www.prievidza.sk/spravodajstvo/horna-nitra-je-zivotaschopny-region/>. The roundtable was organised on September 18, 2018 by the mayor of Prievidza.

The main vision and strategic document in climate change policies is adopted *Low-carbon development strategy of the Slovak Republic until 2030 with a view to 2050*. The strategy was approved by the Government of the Slovak Republic on 5 March 2020 and it represents Slovakia's response to commitments to combat climate change. The aim of the strategy is to identify existing and propose new additional measures within the Slovak Republic to achieve climate neutrality by 2050. The document was created under the leadership of the Ministry of the Environment of the Slovak Republic in cooperation with experts at the national and international level (World Bank), while the starting document for the preparation of the strategy was the Low Carbon Study. It builds on modelling the development and impacts of individual policies and measures on the national economy, using the Compact Primes and ENVISAGE Slovakia (CGE) models. All relevant institutions as well as the general public also had the opportunity to participate in the preparation of the strategy through a designated public participation process. *Integrated National Energy and Climate Plan for the years 2021 – 2030* is currently in the process of revisions and should provide binding targets for the climate policies.

The latest development is start of the work on adopting a climate law in Slovakia (June 2021). The government justify the need for the law based on clarification of the legal climate framework and the need to follow-up to the European Climate Regulation and the "Fit for 55 Package" and by effort to supplement/develop existing documents addressing the reduction targets of the Slovak Republic. The law should in the same time increase awareness and transparency in tackling climate change, therefore the process started with wide and open public participation.

III. Financing the neutrality

Utilising available and future financial resources from the state budget and EU funds for climate and green investments is the key leverage for the Slovak republic to accelerate inevitable transformation. The unprecedented EU financial support gives the country unique opportunity and advantage. However, experience from cohesion policies points out to structural problems with using available resources for pursuing policy goals. In the same time, decarbonisation has its winners and losers. The winner should be economy as a whole, increasing its competitiveness, and long-term sustainability. The losers may be people with endangered jobs in carbon intensive industries, facing Industry 4.0 and combination of the green and technological transformation of manufacturing and services.

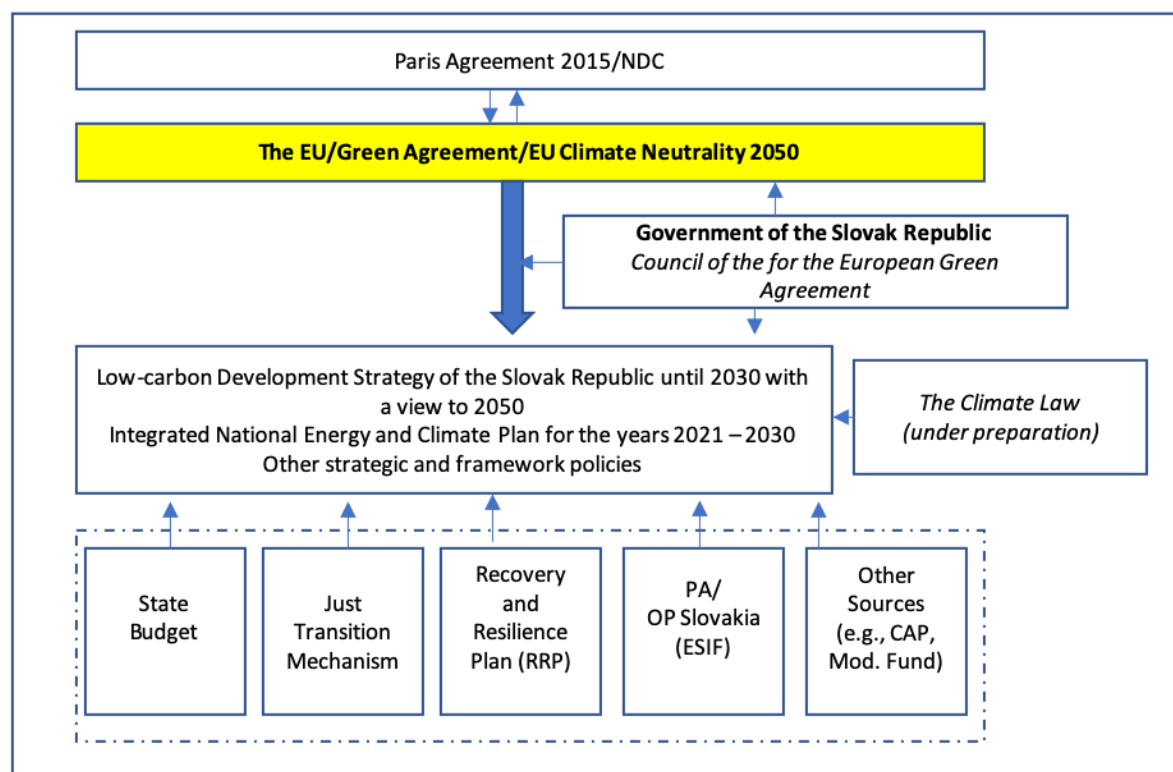
There are multiply investment opportunities in financing climate neutrality. Besides state budget and its crucial role in steering investments and co-finance projects it is especially framework of the EU funds affiliated with social and economic cohesion policies. The Partnership Agreement 2021 – 2027 and following Operational Programme Slovakia will need to be clearly focused on Green Agreement priorities. There are special funds developed for economic and social transformation and addressing social impacts from decarbonisation. In the sphere of the climate neutrality, we find here specifically dedicated financial instruments and/or earmarked and tags and fixed percentages in the general financial instruments, where earmarking for climate targets helps to focus available resources.

Decarbonisation has been selected as one of the reforms and activities priorities in the newly adopted (June 2021) Recovery and Resilience Plan for the Slovak Republic (RRP) as a part of the EU initiative of the Recovery and Resilience Facility (the Facility). It enables loans and grants available to support reforms and investments undertaken with aim to mitigate the economic and social impact of the coronavirus pandemic and make European economies and societies more sustainable, resilient and

better prepared for the challenges and opportunities of the green and digital transitions.¹¹ Development of RRP helped to open public debate on the needs and general future transformation of the country. Public debate on RRP priorities and its focus on decarbonisation brought into the public debate important stimulus.

Other important sources include Modernisation Fund, Common Agricultural Policy, foreseen Climate Action Social Facility and domestic public and private resources. Figure 2 illustrates the framework.

Figure 2. Framework of Climate Change financing in Slovakia.



III.1. The EU Funds

The Partnership Agreement 2021-2027 and following Operational Programme Slovakia will steer programming and implementation of the biggest part of the EU funds allocated for Slovakia in the new programming period. In May 2018, the European Commission published a proposal for a multiannual financial framework - the EU Framework for 2021-2027 (MFF), as well as the draft legislative package for EU cohesion policy for the programming period 2021-2027. Updated package legislation for the new programming period 2021 - 2027 was published on 29 May 2020, inclusive presentation of the EU Instrument for Future Generations (NGEU) in response to the crisis situation. The draft MFF was

¹¹ For more information visit official web site of the Facility at: https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en

approved on 17 December 2020 (EU, Euratom 2020/2093), the proposal The NGEU was approved on 14 December 2020 (EU 2020/2094). On June 25, 2021, the European Parliament approved political agreements on the Cohesion policy legislative package 2021-2027 and of €373 billion allocation for the whole EU. This marks the final step of the legislative procedure and allowed for an entry into force of the Cohesion legislation on 1 July.

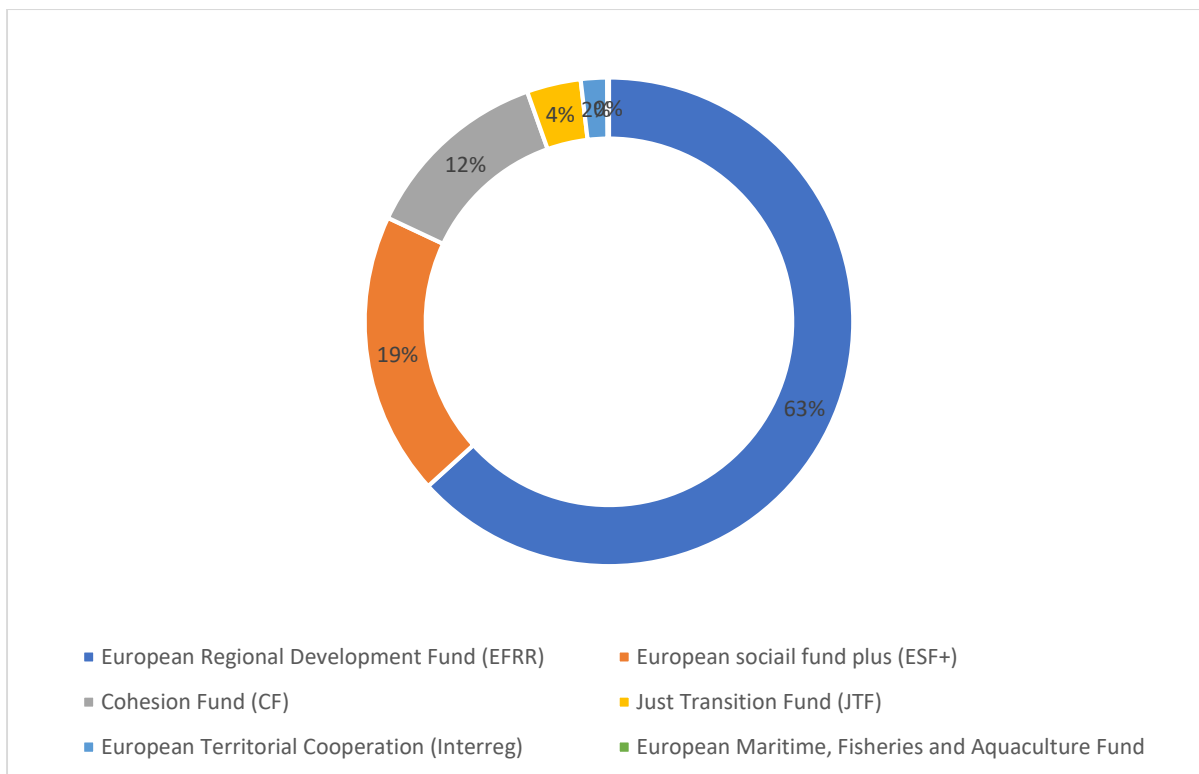
The Slovak Republic will, based on the MFF and the EU crisis budget 2021-2023, access to the resources in the amount of 26.1 billion EUR (expressed in current prices). Of this total amount, the Slovak Republic will draw on EU resources:

- 49% or 12.8 billion through cohesion policy (coordinator: MIRRI SR)
- 24% or 6.4 billion through the Reconstruction and Resilience Support Mechanism (coordinator: MF SR)
- 19% or 4.9 billion through the common agricultural policy (coordinator: Ministry of Agriculture and Rural Development of the Slovak Republic),
- 8% or 2 billion through other programs (eg Erasmus, Connecting Europe Facility, Digital Europe, etc.) - the Slovak Republic must compete for these resources in pan-European calls.

Total allocation of EU cohesion policy resources 2021 - 2027 (Eurofunds) for the Slovak Republic is thus based on the approved MFF and is estimated at 12.8 billion EUR. Out of it European Regional Development Fund (ERDF) is 8 117 mil. EUR, European social fund plus (ESF+) has 2 404 mil. EUR, Cohesion Fund (CF) is 1613 mil. EUR, Just Transition Fund (JTF) has allocation of 459 mil. EUR, European Territorial Cooperation (Interreg) is 223 mil. EUR, and European Maritime, Fisheries and Aquaculture Fund: 15 mil. EUR. Relative share of allocations in different funds are illustrated at Figure 3.¹²

Figure 3. Relative share of allocations of Slovak EU cohesion policy resources 2021 - 2027

¹² For more information see: INFORMÁCIA O PRÍPRAVE NÁVRHU PARTNERSKEJ DOHODY SR NA ROKY 2021 – 2027 a NÁVRH ROZDELENIA NÁRODNEJ ALOKÁCIE. Available at: https://www.partnerskadohoda.gov.sk/data/files/4707_informacia-o-priprave-navrhu-partnerskej-dohody-slovenskej-republiky-na-roky-2021-%E2%80%93-2027-a-navrh-rozdelenia-narodnej-alokacie.pdf



The climate change mitigation should be cross cutting there in the new Partnership Agreement and OP, although the main support to mitigation and adaptation is in its Goal 2 (A GREENER LOW CARBON EUROPE through the promotion of clean and equitable energy transformation, green and blue investment, the circular economy, adaptation to climate change and risk prevention and management - environmentally sustainable and low carbon Slovakia). There are 8 specific objectives in the goal:

- Promoting energy efficiency and reducing greenhouse gas emissions
- Promotion of energy from renewable sources
- Development of intelligent energy systems, networks and storage outside TEN-E;
- Promoting climate change adaptation, risk prevention and disaster resilience
- Promoting access to water and sustainable water management
- Supporting the transition to a resource-efficient circular economy
- Strengthening nature protection and biodiversity, developing green infrastructure, especially in the urban environment, and reducing pollution
- Promoting sustainable multimodal urban mobility

According to section 6 of the proposal for a regulation on the ERDF and the CF, the overall objective of the climate change contribution is set in this way: Fund ERDF contribution 30%, CF 37%.¹³ These earmarking of financial resources provides guarantee, that the climate change mitigation and adaptation will get high priority in the financing. However, exact allocations for specific objectives are not available at the time of the report development. According to the draft version, as much as 3563,2 mil. EUR should be allocated to the Goal 2 and it is increase by 12% in comparison to the previous programming period of 2014-2020.¹⁴

¹³ The coefficients for calculating support for climate change objectives for each category of intervention are defined in Annex 1 of the EU General Regulation.

¹⁴ For more information see: INFORMÁCIA O PRÍPRAVE NÁVRHU PARTNERSKEJ DOHODY SR NA ROKY

III.1.1. Just Transition Mechanism

According to the European Commission the Just Transition Mechanism addresses the social and economic effects of the transition, focusing on the regions, industries and workers who will face the greatest challenges, through three pillars:

- A new Just Transition Fund of €17.5 billion (in 2018 prices; €19.3 billion in current prices), is expected to mobilise close to €30 billion in investments.
- **InvestEU** "Just Transition" scheme will provide a budgetary guarantee under the InvestEU programme across the four policy windows and an InvestEU Advisory Hub that will act as a central entry point for advisory support requests. It is expected to mobilise €10-15 billion in mostly private sector investments.
- A new **Public Sector Loan Facility** will combine €1.5 billion of grants financed from the EU budget with €10 billion of loans from the European Investment Bank, to mobilise between €25 and €30 billions of public investment.¹⁵

The focus of the first pillar, the Just Transition Fund, is on the economic diversification of the territories most affected by the climate transition and the reskilling and active inclusion of their workers and jobseekers. Part of the funding allocated to the Just Transition Fund stems from the European Recovery Instrument, and as such, will have to be committed by the end of 2023. For Slovakia, this means that EUR 239 million, i.e., more than 50% of JTF allocation available for Slovakia, needs to be committed and covered by grant agreements by the end of 2023.¹⁶ Interest in financing decarbonisation projects is rather high in Slovakia. In March 2021 the Slovak Ministry for investments, regional development and informatization (MIRRI) launched an informal call for projects, and by the end of April it had received 350 project proposals.¹⁷

Just Transition Mechanism (JTM) have a central role in decarbonisation at national and regional levels, as it is moving policy targets into practical level of regional decarbonisation strategies and plans supported by the EU investments. Implementation of JTM in Slovakia started with development of regional decarbonisation actions plans. The pilot areas selected are self-governing regions of Trenčín, Banská Bystrica, and Košice. In spite of the increasingly enabling environment for climate change mitigation and adaptation policies, planning, strategies and accompanied financial instruments in reality face difficulties with implementation as we illustrate on the lessons learned from pilot actions and experience from cohesion policies implementation.

III.1.2. Fit for 55

The dominant part of the climate package "Fit for 55" works with updates to existing EU laws. Here we see revision of the EU emission trading scheme (EU ETS), revision of the regulation on land use,

2021 – 2027 a NÁVRH ROZDELENIA NÁRODNEJ ALOKÁCIE. Available at:

https://www.partnerskadohoda.gov.sk/data/files/4707_informacia-o-priprave-navrhu-partnerskej-dohody-slovenskej-republiky-na-roky-2021-%E2%80%93-2027-a-navrh-rozdelenia-narodnej-alokacie.pdf

¹⁵ For more information see EC official JTM site: https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/actions-being-taken-eu/just-transition-mechanism_en

¹⁶ EC, 2021.

¹⁷ Ditto.

land use change and forestry (LULUCF), revision of the effort sharing regulation (ESR), amendment to the renewable energy directive (RED), amendment to the energy efficiency directive (EED), revision of the alternative fuels infrastructure directive (AFID), amendment of the regulation setting CO2 emission standards for cars and vans, and revision of the energy taxation directive.

There are also new legislative proposals included. Here is the most important New EU forest strategy and carbon border adjustment mechanism (CBAM). Specific area captured is fuels and ReFuelEU Aviation – on sustainable aviation fuels and FuelEU Maritime, on greening Europe’s maritime space

From the climate neutrality perspective is very important Social Climate Fund. According to the proposal, the financial envelope of the Fund should in principle correspond to 25% of the expected revenues from the inclusion of buildings and road transport within the scope of application of the ETS Directive, given its direct link with the new ETS.¹⁸ In addition to the existing JTM we have got here new financial mechanism, which should counterbalance negative social impacts from decarbonisation policies will be used for member states to compensate the cost of this transition to vulnerable citizens.

III.2. National Recovery and Resilience Plan

Slovak National Recovery and Resilience Plan was approved by the government and by the EU in June 2021. The main approach to secure targeted investments in line with strategic development goals of the EU in the climate and environmental protection and in harmony with green transition was the application of “Do Not Significant Harm (DNSH)” principle. While the large-scale financial support for public investments and reforms secured by RRF is aimed to help recovery and sustainable growth during and after COVID-19 pandemic, the RRF Regulation adopted by the European Parliament and the Council¹⁹ in its Article 11 define, that the green transition should be supported by reforms and investments in green technologies and capacities, including in biodiversity, energy efficiency, building renovation and the circular economy, while contributing to the Union’s climate targets, fostering sustainable growth, creating jobs and preserving energy security.

The applying of the DNSH principle to the RRP is regulated by the meaning of Article 17 of the Taxonomy Regulation²⁰, and it methodologically developed in Annexes to the Commission Notice Technical guidance on the application of “do no significant harm” under the Recovery and Resilience Facility Regulation. The application of the principles is secured by a range of EU taxonomy for sustainable activities, aiming to establish an EU classification system for sustainable activities (i.e., an EU taxonomy).

The fact that reform/measure comply with minimum safeguards, i.e., applicable EU and national environmental law is not sufficient to bypass DNSH assessment. It may be assumed, that later in the

¹⁸ Legislative proposal (June 14, 2021) available at: https://ec.europa.eu/info/sites/default/files/social-climate-fund_with-annex_en.pdf

¹⁹ Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility, OJ L 57, 18.2.2021, p. 17–75

²⁰https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en

process of implementation of tools like EIA, SEA, sustainability/climate proofing would assure/confirm compliance, yet it is not argument to avoid individual DNSH assessment during preparation of RRP.

Applying this approach, screening of the 18 components of the RRP indicates mostly positive results. Annex 1 provide information on screening the RRP using the DNSH assessment on the climate change mitigation. From the climate change mitigation perspective, there are several aspects of the RRP where attention should be paid in the process of implementation:

Reforms promoting substantial modifications of the current permission, approval or investments processes: General approach to the implementation of reforms proposed in the RRP should provide justification that application *Value for Money* principle is based on solid data using *Internalisation of Externalities* methodologies. The proposed reforms envisaging improving the management of investments and increasing their economic benefits by increasing the efficiency of the processes and by prioritizing projects with higher value for money need to include climate/environmental criteria into the assessment. The reforms focussing on more effective decision-making processes (e.g., decreasing number of provisions, simplifying and speeding approval processes) should provide justifications that the administrative reforms will not diminish space for good governance and complex evaluation of the environmental aspects. Specific issue of public participation requires special attention.²¹

Component 1/Investments to new RES: Biomass energy, hydro power production and biogas in the perspective of climate change mitigation provide vital sources of clean and renewable energy, if properly designed and managed. Compliance with the EU/National environmental law is, together with EIA/SEA/ Sustainability Proofing is crucial. It would be vital to adopt and imply more specific sustainable criteria for biomass production. Hydropower qualifies as a renewable energy source according to the RED II directive, but it must fulfil highest standards. In the case of investments into the construction of new hydropower plants is foreseen strict application of conditions set up in Directive 2000/60 / EC establishing a framework for Community action in the field of water policy and it is assumed that project would undergo a thorough environmental impact assessment. These conditions here should be clearly reflected also in the implementation phase, enhancing the regulatory framework to assure not only effective but also proper assessments of the environmental impacts.

Use of natural gas: Improving the energy efficiency of family houses is an example of a measure that requires a special attention during the implementation. The RRP currently reflect specific conditions for compliance with the climate change mitigation objective of DNSH (ANNEX III) and the basic 3 conditions (i.e., being installed in buildings that are part of a wider energy efficiency or building renovation programme, lead to a significant decrease in GHG emissions; and lead to a significant improvement of the environment, notably due to pollution reduction, and public health).

Component 4/Decarbonisation of Upper Nitra: Although there are no direct investments allocated in RRP for this reform, it will be of key importance to coordinate many ongoing and foreseen activities in decarbonisation to avoid overlaps and support synergies.

Component 4/ Cost-effective reduction of greenhouse gas emissions in industry: Declaration of criteria for cost-effective reduction of greenhouse gas emissions in industry should be clearly defined. Cost-effective reduction of greenhouse gas emissions in industry should encompass effective

²¹ See the EU framework on *Participatory and Procedural Rights in Environmental Matters*
https://ec.europa.eu/environment/legal/law/3/module_3_6.htm

evaluations of technologies and internationalisation of external costs – long term benefits versus short term gains.

Component 4/ Amendment to the IPPC Law: Optimisation of the administrative procedures may have primary indirect impacts in the quality of the environmental assessment. IPPC (IPKZ) is an example of reform that require close attention.²²

Component 14/ Reforms: Measures to reduce the regulatory burden on business and Public Procurement Reform indicate significant risks and would require open and participatory processes of implementation. We are dealing here with reforms and investments tackling upon many business sectors. These may significantly influence level of the environmental performance. The new National Action Plan for Green Public Procurement in the Slovak Republic for the years 2021 to 2025 should increase the share of GPP, yet to fully utilise potential, law on PP would need to take the GPP as an integral part.

Reform of the regulatory framework in the field of RES support: The key issue is sustainability of biomass and bioenergy investments and their carbon neutrality. Slovakia may use RRP for establishing unified framework for biomass and bioenergy, based on the EU recommendations on biomass sustainability²³ and Regulation on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry (LULUCF). This step is already recommended in buildings component but it could be optimally a level higher - e.g., a milestone in energy sector reforms.

Investments in the construction of new sources of electricity from RES: In the case of investments to new hydropower construction it would require substantial assessment. According to the TEG technical guidelines and the Commission's specifications, there is a wide range of aspects for each of them that need to be considered in the 6 components of the evaluation and which are lost in aggregated reporting on all of them in one text.

Investments in the modernization of existing sources of electricity from RES (repowering): Foreseen investments into photovoltaics and biogas, which ends operational support in the years 2025 - 2028, as well as the production of electricity from hydropower should build on elaborated and more precise sustainability criteria for biogas and especially include provisions, that the repowering will improve environmental performance of existing hydropower and would require reassessment of the installation in line with up-to-date legislative framework (EIA, WFD, Habitat etc).

Construction waste management reform: The Component 2 includes reform of construction waste management, yet the reform do not include target values (*Reforma nakladania so stavebným odpadom*). The Waste Framework Directive 2008/98/EC aims to have 70% of Construction and Demolition waste recycled by 2020. TEG recommendations are 80%. Although some countries, including Slovakia, face difficulties, there are EU member states which developed and implemented a framework which leads to a recycling rate of up to 90%. In order to fulfil EU targets in construction waste management, Slovakia should stick in the implementation of RRP to the percentage in its reform by applying best practise examples from the other EU countries and following roadmap for reaching 70%.

²² Including referencing to the BREFs (Best Available Techniques Reference documents), Directive 2008/1 / EC of the European Parliament and of the Council of 15 January 2008 concerning integrated pollution prevention and control and article 3 (11) of the Industrial Emissions Directive.

²³ For more information see https://ec.europa.eu/energy/topics/renewable-energy/biomass_en

III.3. Complementarity among the financial schemes

The approach for ensuring complementarity of measures would require close cooperation and coordination among the PA/OP Slovakia, RRP components, Modernisation Fund, Climate Action Social Facility and other financial sources in avoiding double financing and/or overlaps. The main financial instruments for climate neutrality are mapped out vis-à-vis their focus in the Table 1.

Table 1. main financial instruments and their focus

Financial Instrument	Focus (Climate Neutrality aspects)
Partnership Agreement/OP Slovakia	<p>Promoting energy efficiency and reducing greenhouse gas emissions</p> <p>Promotion of energy from renewable sources</p> <p>Development of intelligent energy systems, networks and storage outside TEN-E</p> <p>Promoting climate change adaptation, risk prevention and disaster resilience</p> <p>Promoting access to water and sustainable water management</p> <p>Supporting the transition to a resource-efficient circular economy</p> <p>Strengthening nature protection and biodiversity, developing green infrastructure, especially in the urban environment, and reducing pollution</p> <p>Promoting sustainable multimodal urban mobility</p>
RRP	<p>(Component 1): RES</p> <p>(Component 2): Buildings</p> <p>(Component 3): Sustainable Mobility</p> <p>(Component 4): Decarbonisation of Industry</p> <p>(Component 5): Climate Change Adaptation</p>
Connecting Europe Facility (CEF)	transport, energy and digital projects which aim at a greater connectivity between EU member states
Modernisation Fund	<p>Generation and use of energy from renewable sources</p> <p>Energy efficiency</p> <p>Energy storage</p> <p>Modernisation of energy networks, including district heating, pipelines and grids</p> <p>Just transition in carbon-dependent regions: redeployment, re-skilling and upskilling of workers, education, job-seeking initiatives and start-ups</p>
JTM	People and citizens, most vulnerable to the transition (facilitating employment opportunities in new sectors and those in transition, offering re-skilling opportunities, improving energy-efficient housing, investing to fight energy poverty, facilitating access to clean, affordable and secure energy)

	<p>Companies and sectors (supporting the transition to low-carbon technologies and economic diversification based on climate-resilient investments and jobs, creating attractive conditions for public and private investors, providing easier access to loans and financial support, investing in the creation of new firms, SMEs and start-ups, investing in research and innovation activities)</p> <p>Member States and regions (supporting the transition to low-carbon and climate-resilient activities, creating new jobs in the green economy, investing in public and sustainable transport, providing technical assistance, investing in renewable energy sources, improving digital connectivity, providing affordable loans to local public authorities, improving energy infrastructure, district heating and transportation networks)</p>
Social Climate Fund	Under development (compensate the cost of this transition to vulnerable citizens). Member States should develop their Social Climate Plans to set the measures and investments to be financed, their expected costs as well as milestones and targets to achieve them.

III.3.1. RRP and OP Slovakia

Base on the available texts for RRP and OP Slovakia drafts, we may identify intersections between those two financial mechanisms and provide early warning on potential problems. In order to avoid overlaps or double funding of the same cost item (at strategic, but also project level), we summarise here main points in each of the areas:

- (1) **RES:** There seem to be substantial and significant overlaps between RRP and ESIF which are not fully addressed yet. The main areas are support to new RES and investment to energy storage and flexibility. RRP assumes, that small sources of RES and new sources for electricity storage and increased grid flexibility should also be supported from the EU structural funds, but there no measures outlined how to avoid competition between these two schemes. Additional overlaps may be in financing of measures to support RES in the heating sector, which are also planned through the Modernization Fund. There is significant overlap in aiming these investments (RES, target groups, system of investments) and it is the case for delineation.

Strategic Recommendations:

- ESIF plans investments into the heating sector (reconstruction of central heating). ESIF may provide here strong synergies to RRP. Delineation may focus on different sources of energy (e.g., ESIF currently specifically targets geothermal energy, while RRP not) or develop other criteria to avoid overlaps.
- PA/OP Slovakia do not specify include repowering as a target for investments. It would be possible to specify in OP Slovakia if the planned investments may involve repowering or if repowering stays specifically only ion RRP.
- There is significant overlap in aiming investments to increasing the flexibility of electricity systems for a higher integration of RES (i.e., energy storage and flexibility investments). Possible approach may divide interventions by type investments (e.g., high-capacity battery storage) or by target group and/or type of intervention (i.e., financial instruments, grants).

- The OP Slovakia would need to react also on MF financing scheduled to emerge this year and its planned areas of investments (e.g., modernisation of energy networks, including district heating, pipelines and grids).

(2) **Buildings:** The first delineation already in place is the type of buildings and the focus of RRP on family houses. Here the approach may however still be in overlap with ESIF foreseen "Green for Households" scheme continuation.

Strategic Recommendations:

- The next phases of Green for Households would need to take into consideration the RRP and refocus the program (target group, type of investments). The RRP with the focus on family houses will define space and approaches and OP Slovakia would need to react and adjust its focus.
- The OP should involve measures to generate synergies with upcoming MF (e.g., Energy efficiency).

(3) **Sustainable Mobility:** Significant possible overlaps RRP/ESIF and ESIF/CEF are addressed at the coordination level and level of projects. Delineation among RRP/ESIF/CEF is elaborated.

Strategic Recommendations:

- The RRP define space and approaches, yet it is visible that the interventions are already integrated with those foreseen for the OP Slovakia. The Development of OP Slovakia should further reflect and elaborate on the RRP focus and targets when the plan is approved.

(4) **Decarbonisation of Industry:** Significant overlaps RRP/ESIF - It would be worth to consider deeper coordination with planned investments in ESIF, ensuring complementarity and avoiding competition among different schemes. Missing assessment for JTM/ESIF complementarity especially in the case of planned reform and decarbonisation of Upper Nitra. Measures defined in RRP and those foreseen in ESIF (i.e., improving energy efficiency in business and to some extent support to regional energy transformation) have overlaps in the target group - manufacturing and services.

Strategic Recommendations:

- The OP Slovakia would need to assess/adjust its focus especially in foreseen investments to improving energy efficiency in business, ensuring complementarity and avoiding completion among different schemes.
- There is delineation suggested in RRP for Modernisation Fund, defining that individually supported projects in RRP will not be eligible to apply for support in the Modernization Fund. The OP Slovakia would need to react also on MF financing stepping in later 2021 (e.g., with its focus on just transition in carbon-dependent regions).

(5) **Climate Change Adaptation:** Aiming of RRP investments is complementary to the planned ESIF investments and may have strong synergetic effect. Potential overlap may be in RRP renaturation of watercourses (restoration of meanders, revitalization of dead branches, revitalization of floodplains outside urban areas, restoration of floodplain forests, wetlands and other water elements, etc.) with water retention and flood prevention measures planned in OP Slovakia.

Strategic Recommendations:

- Complementarity, delineation may require some specifications. Besides mutual information channels between RRP and OP (suggested in RRP) and coordination of projects it would be suggested to consider coordination at the level of watershed to avoid overlaps and getting optimal results.

In spite of delineation at the strategic level (e.g., type of investments, target group, etc), there will be substantial need for coordination at the level of openings/calls and projects. The responsible bodies in the state administration should elaborate on a system how to decide on assigning projects to a specific financial source to verify for each project that there has been no double funding in the process of monitoring the fulfilment of milestones and objectives of the Recovery Plan.

In order to avoid duplication of financing of expenditure at project level, a mechanism should be set up for the mutual exchange of information on submitted and contracted applications for a contribution to the financing of projects from the RRF, the ESIF/JTM, Connecting Europe Facility and the Modernisation Fund. The mechanism may use the means of electronic information exchange (in the case of the European Structural and Investment Funds, it is the integrated technical monitoring system ITMS). The mechanism for avoiding double funding may at the project level include coordination of the calls for projects between different governmental bodies and final check before signing the grant agreement (NFP) and distribution of funds to the beneficiaries.

The specific case is the Modernisation Fund. The scheme is expected to be approved by approximately October-November 2021, while RRP is approved and OP Slovakia in progress. Climate Action Social Facility was approved as a mechanism in July 2021, yet we will need to wait for more technical specifications on its implementation. The additional funding mechanisms may therefore focus on gaps in the financial framework and/or support areas with bigger absorption capacity.

III.4. Lessons Learned from Cohesion Policy

The main “testing ground” for setting up policies and practise of decarbonisation is currently Upper Nitra Region with its coal mines to be closed by 2023. The economy of the Prievidza district diversified in the 2000s with activities in the automotive sector, machinery, manufacturing of plastics, and production of safety and control technologies. The HBP coal mine and its daughter HBz are among the largest employers in the region, but their productivity (in terms of revenue per employee) declined by 19% in the period 2010-2017. Other major employers, however, significantly expanded their revenues in the region during the same period. Economic, social, and demographic trends further create a positive environment for the transition.²⁴

The 2019 Action Plan for the Transformation of the Upper Nitra Coal Region provide an example of complex approach, based on detail analyses of the local conditions and capacities. Yet the implementation process highlights complexity of the transformation. Successful decarbonisation is time consuming, inevitably requires a gradual process and building enabling structural changes in the economy aimed for creation of new labour opportunities.

²⁴ SUPPORT FOR COAL REGIONS IN TRANSITION FINAL REPORT: Socio-economic analyses to improve the use of ESIF (Expert study) Available at: https://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/expert_support_coal_en.pdf

Replacement of relatively well-paid jobs in the mining or carbon intensive industries with new opportunities needs to build on innovations and technological advancement. All of this in the country constantly struggling with transformation from low added value production and weak R&D²⁵ and where the service sector (affiliated especially with the tourist industry) has relatively limited potential.

Successful transformation and decarbonisation depends on the strong national framework and financial instruments accompanied with ability of the local stakeholders, regional self-government bodies to combine three main strategies or approaches: (i) use relatively favourable structural conditions; (ii) use the available financial instruments as the leverage for creating enabling condition and supporting labour market; (iii) use state backed policies, subsidies, and incentives to attract FDI to support local capital.

ESIF absorption capacity for small and medium-sized enterprises in the programming period of 2014–2020 in the Upper Nitra region has been below the Slovak average.²⁶ The situation of ESIF utilisation in the region corresponds to general problems in the country with a limited absorption capacity of resources available. Although, strategies to stimulate local stakeholders in development their project ideas for counterbalancing mines closure proved to be successful in terms of number of ideas generated, evaluation of the projects proposal indicated problems with compatibility with main goals of the cohesion policies and feasibility of the ideas.

The progress and structural barriers in Upper Nitra generally correspond with evaluations of the Programming period 2007 – 2013 and 2014-2020. Those indicate many problems with development of functioning policy and management frameworks, as well as with implementing targeted projects.²⁷ The problem of absorption can be analysed from the two inter-linked perspectives: Top-down and Bottom-up. In top-down we refer to programming and technical management of the processes. In bottom-up about experiences of beneficiaries and their capacities and rate of success in development of well targeted and justified projects. In general, visions and policy goals of the transformation often face reality of the social practices.

In top-down processes has been some progress. The Slovak Government adopted the 'Action Plan for Strengthening Transparency and Simplifying Implementation of the ESIF' on 27 September 2017. The Central Coordination Body (CCB) of the Deputy Prime Minister's Office for Investments and Informatization of the Slovak Republic drafted the Action Plan. The Action Plan set 37 policy measures for strengthening transparency and simplifying implementation of the ESIF projects. Some 18 policy measures targeted decreasing administrative burden. The policy measures accounted for diverse levels of complexity and potential impact. The measures have been implemented since 2017.

Electronic submission of the ESIF project applications is an important measure for decreasing administrative burden. Other important measures include cancellation of various administrative

²⁵ BALÁŽ, Vladimír - KARASOVÁ, Katarína - CHRANČOKOVÁ, Martina. Do Research and Innovation Stimuli Improve the Competitiveness of Private Firms? Evidence from the Slovak Republic. In Economic and Social Development: 37th International Scientific Conference on Economic and Social Development.

²⁶ SUPPORT FOR COAL REGIONS IN TRANSITION FINAL REPORT: Socio-economic analyses to improve the use of ESIF (Expert study) Available at: https://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/expert_support_coal_en.pdf

²⁷ Deputy Prime Minister's Office for Investments and Informatization of the Slovak Republic: Evaluation of the progress made in the implementation of the Partnership Agreement as of 31 December 2018 (Final Report).

Pilot project - Contribution to the EU2020 - Research and Development - Final Evaluation Report. Available at: <http://www.nsrr.sk/download.php?FNAME=1444742165.upl&ANAME=Pilot+project+-+Contribution+to+the+EU2020+-+Research+and+Development+-+Final+Evaluation+Report.pdf>

Pilot project - Contribution to the EU2020 - Climate Change and Energy Sustainability - Final Evaluation Report. Available at: <http://www.nsrr.sk/download.php?FNAME=1444742154.upl&ANAME=Pilot+project+-+Contribution+to+the+EU2020+-+Climate+Change+and+Energy+Sustainability+-+Final+Evaluation+Report.pdf>

certificates, simplification of cost reporting, simplification of public procurement and simplification of procedures related to contract conclusion. Creating network of the Information and Advisory Centres was an important cross-cutting measure. The centres help applicants / recipients to solve many practical issues related to the ESIF project application and implementation.

Ministry of Investments and Informatization of the Slovak Republic made several important initiatives. In June 2021 presented the 5th package of anti-bureaucratic measures in ESIF. The new system introduced significant simplifications for applicants, beneficiaries and providers, i.e., managing and intermediate bodies. It will also be very helpful for applicants to unify public procurement rules. These changes are the result of consultations with applicants and beneficiaries, local government representatives, experts and professional associations, as well as with civil society.

The key problem in the bottom-up perspectives are capacities, know-how and administrative barriers. The experience of beneficiaries with the ESIF varies, they are generally considered a useful tool for development, but their utility is limited by various institutional and deterrent barriers.²⁸ Most of the problems identified in different evaluations are repeating and indicate systematic problems in improving implementation framework, procedures and practices. These may be grouped into: (i) Complicated administration and bureaucracy; (ii) non-systemic work of decisive actors; and (iii) time management.

The requirements on potential applicants are extremely complicated, containing sophisticated conditions, analyses, mandatory annexes, tables and calculations. Most of the potential beneficiaries do not have skills and know-how required, while they have to deal with the daily problems of their inhabitants, the agenda of municipalities and cities, or managing SME. Secondly, approval of the project is only begging of the long journey. Here the problems concentrate on public procurement, in accordance with the Public Procurement Act and in accordance with the Methodological Instructions of the Central Coordinating Body. However, instructions are often contradicting each other and applicants struggle to get valid advice and instructions.²⁹ Last but not least, the processes of approvals, public procurements, and controls are so time demanding, that meanwhile applicants face changed conditions (e.g., some permits are not valid, technology is not on the market anymore and is replaced by a new one with a different cost).

Evaluations of the finishing Programming period 2014-2020 indicated some progress. Before start of the pandemic there was a significant progress was in increasing employment and decreasing unemployment rates. The ESIF resources were most relevant in the Thematic Objective (TO) no. 8 (Promoting sustainability and quality of employment and labour mobility). By 2018, ESIF provided 55.4 % of the total certified spending in active labour market policies in Slovakia.³⁰ The TO5 (Promoting Climate Change Adaptation, Prevention and Risk Management) and TO6 (Preserving and protecting the environment and promoting resource efficiency) account for relatively high level of contracting and spending. The ESIF resources (less spending by the Rural Development Programme) were highly relevant for the TO6. The ESIF assistance provided about 17.4% of the total spending by the Slovak

²⁸ Small and Medium Enterprises in the Upper Nitra region - Scope and challenges in a socially sensitive, low-carbon industrial transition (Expert study) Available at:

https://ec.europa.eu/regional_policy/it/information/publications/studies/2020/small-and-medium-enterprises-in-the-upper-nitra-region-scope-and-challenges-in-a-socially-sensitive-low-carbon-industrial-transition

²⁹ Filčák, R., Rochovská, A. and Horňák, M. 2021. Evaluation of Slovakia's R1 expressway enhancement impacts on local socio-economic development: expert panel approach. In *Geografie: sborník České geografické společnosti*, 126 (1): 29-53. ISSN 1212-0014.

³⁰ Deputy Prime Minister's Office for Investments and Informatization of the Slovak Republic: Evaluation of the progress made in the implementation of the Partnership Agreement as of 31 December 2018 (Final Report).

public sector in 2014-2018 in area of TO8.³¹ The private investment is of the highest importance for the TO4 – transition towards the low-carbon economy. The ESIF resources were of limited importance for the TO4 (Supporting the transition to a low-carbon economy in all sectors).

The Slovak Republic is nevertheless making progress toward achieving its targets related to the climate mitigation. The country has met most of its targets in reducing greenhouse gas emissions, increasing energy efficiency and reducing proportion of population at risk of poverty and social exclusion. However, these were in some case not set up very challenging (e.g., in climate change mitigation and RE) and the performance is in addition blurred by COVID-19 effects, which is still difficult to evaluate at this point.

Mapping structural barriers and drawing the lessons learned around absorption of cohesion funding to better utilisation of the Just Transition Fund in Slovakia thus needs to adopt complex perspectives. Increasing the absorption capacity of JTF in order to support economically sound and socially sensible decarbonisation process would require improvements in the overall system of the management and development of more user-friendly approaches to beneficiaries. Support to SMEs should target both the external environment (human resources, infrastructure, and technical and managerial help in capacity development) and internal assistance in improving efficiency, boosting productivity, saving resources and speeding up technology transfer.

The combination of investment in operating and internal environments needs to improve the overall economy of the regions. Besides, direct jobs in SMEs targeted by interventions could also stimulate indirect employment. A functioning and well-developed regional economy will be more resilient and able to accept potential shock caused by decarbonisation.

A just, socially sensitive and low-carbon industrial transition in the regions is a matter of vision, combined with hard and soft measures. Vision and Mobilisation means, that besides top-down policies of the EU and Slovak Republic, there is local co-ownership bottom-up approach to formulation of needs. Clear Leadership in regions is needed for coordination and utilisation of opportunities available. The issue of coordination and joint efforts on the regional level is crucial for improving the absorption. It would also limit the potential with respect to how much the region will be able to utilise JTM. Local Capacities are key to develop strategic/framework projects. Successful industrial transformation needs inputs from the outside. The focus is on real quality of the technical assistance as the key to support local capacity building, as well as to improving access to the information.

IV. Towards climate neutrality

While the EU funds provide important leverage for steering policies and achieving EU and national targets, in long-run we would need to see significant efforts of the member states in focusing available policy and economic tools for climate neutrality. It would inevitably require to open discussion on state budget roles and priorities, and ecological tax reform.

Program Statement of the Government of the Slovak Republic for the period 2021 – 2024 is relative sober towards environmental tax reforms: “With regard to environmental sustainability, we will

³¹ Ditto.

strengthen the role of environmental taxes, while at the same time re-evaluating subsidy schemes towards motivating green behaviour.”³²

RRP in its component 18 (Heathy Public Finance) explicitly mention green taxes, within the aim of “direct savings in the form of reduced debt service expenditures, increasing the sustainability of public finances, also reflected in better economic condition and competitiveness or increased public finance capacity and resilience to unforeseen circumstances, such as the COVID pandemic. The shift in taxation from labour to consumption, property and an expanded green tax base, together with the elimination of tax exemptions, will have a positive effect on long-term economic growth.”³³ The foreseen Double Transformation should lead “to shifting taxation from labour to higher taxes on negative externalities (for polluters) and will help the overall effectiveness of environmental policy, green transformation and allow the limited resources of the public budget to be used for more acute needs.”³⁴ Component 3 of the RRP directly lists taxation of CO₂ emissions from cars and higher taxes on negative externalities. These are however mentioned as tax reform outside the framework of the Recovery and Resilience Plan.

Besides gradual transformation towards environmental tax reform there is a potential to develop strong screening criteria for all public and municipal investments, building on the methodology developed by Technical Expert Group (TEG) and utilizing Doing no significant harm (DNSH) assessment.

IV.1. Managing finances for climate neutrality

The EU considers it vital, that in order to meet the EU’s climate and energy targets for 2030 and reach the objectives of the European green deal, investments need to be directed towards sustainable projects and activities. For this aim there the EU taxonomy is developed as a classification system, establishing a list of environmentally sustainable economic activities. The EU taxonomy provide companies, investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable.³⁵

The work on taxonomy and assessment of investments is supported by Technical Expert Group (TEG) on sustainable finance established by the EC in 2018. The TEG develops recommendations for technical screening criteria for economic activities that can make a substantial contribution to climate change mitigation or adaptation, while avoiding significant harm to the four other environmental objectives. The TEG published Final Report on EU taxonomy (2020),³⁶ including a technical annex containing technical screening criteria for 70 climate change mitigation and 68 climate change adaptation activities, including criteria for do no significant harm to other environmental objectives, as well as methodology section to support the recommendations on the technical screening criteria.

Based on the EU legislative framework and technical and methodological recommendations of the TEG, the application of “Do Not Significant Harm” principle is based on six taxonomy areas: climate change mitigation, adaptation, sustainable use and protection of water and marine resources, circular

³² For full text (in Slovak) see: <https://www.nrsr.sk/web/Dynamic/DocumentPreview.aspx?DocID=494677>

³³ RRP, Component 18.

³⁴ Ditto.

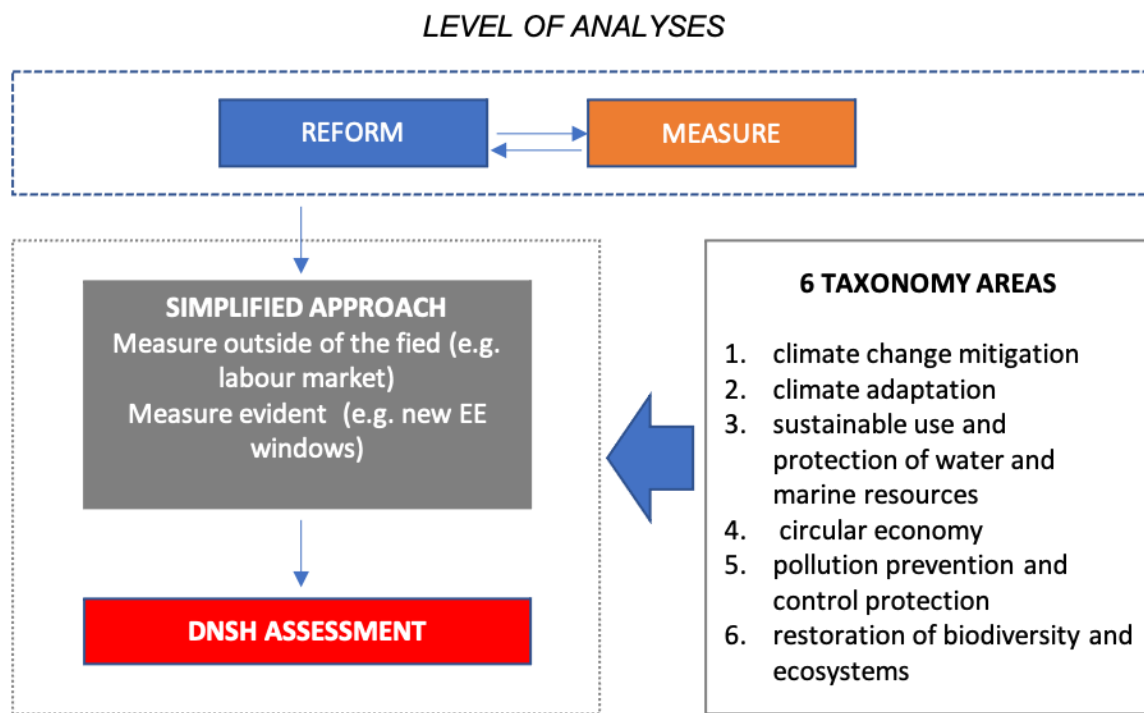
³⁵ More information of the EU policies framework available at: https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en

³⁶ Available at:

https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en.pdf

economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems. Application of the DNSH assessment by the members states focus on each measure within each component of the plan ('economic activity' within the taxonomy) and it includes all planned reforms. The key important delineation in the approach is to decide when to apply simplified approach and when there is a need for full DNSH assessment (See Figure 4).

Figure 4. Level of analyses and framework assessment

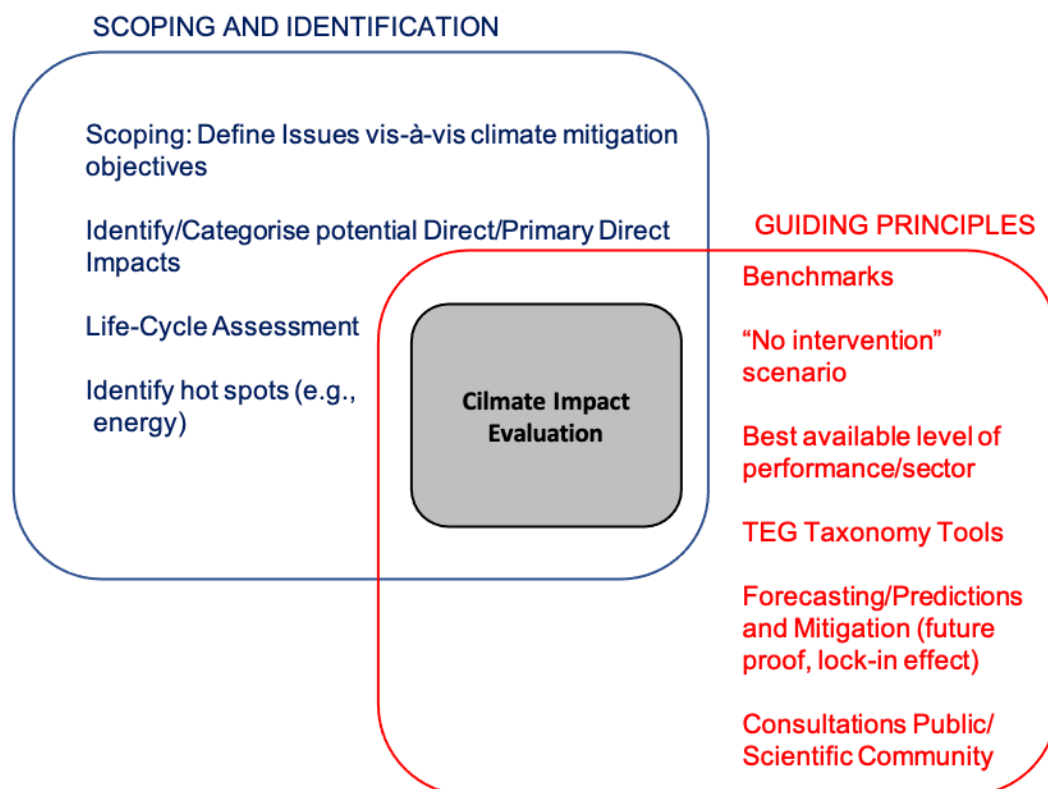


Any reform and/or measure must first of all substantially contribute to at least one of the six environmental objectives as defined in the Regulation and shall not do significant harm to any of the other five environmental objectives as defined in the proposed Regulation. Comply with minimum safeguards is a must. Putting this into a formula:

If reform/measure substantially contribute to at least one of the six environmental objectives + The reform/measure does not do significant harm to any of the other five environmental objectives + The reform/measure comply with minimum safeguards) = POSITIVE RESULT.

Any public investment should be assessed against its impacts on climate change mitigation and the evaluation should lead to decision making process focused on climate positive or neutral investments. The issue in this context is a proper initial scoping, with identification of impacts along the short- and long-term implications and direct and indirect impacts. The approach should be based on life-cycle approach (i.e., considering entire life cycle of the reform/measure that results from the measure: the production, use and end-of-life phases) and identification and categorisation of all identifiable potential, direct, indirect and cumulative Impacts and interactions, which are all relevant for the climate impacts assessment. Where a significant risk is identified, investors and regulators define technical screening criteria for how this harm should be avoided. Where the criteria are not defined, we need to develop our own. Approaches to the initial scoping and possible techniques for screening state and municipal investments are illustrated on the Figure 5.

Figure 5. Initial scoping and possible techniques for screening state and municipal investments.



Managing financing towards climate neutrality would require changes in macro level framework (i.e., environmental tax reform) and in the assessment of all investments against climate mitigation and adaptation criteria. It will require more and substantial effort, working with public and building the reforms on the principles of tax neutrality. The EU funded projects may meanwhile serve as a tool for building national confidence in the transformation. Countries declaring climate neutrality as a goal already account for 75% of the world GDP and include the most advanced global economies. Those lagging behind may soon realise that they are losing not only environmentally and politically, but also endanger competitiveness of their economy in the increasingly complex markets focusing on green technologies and solutions. For the Slovak republic is utilising climate and green investments key leverage to accelerate inevitable transformation and the unprecedented EU financial support gives the country unique opportunity and advantage.

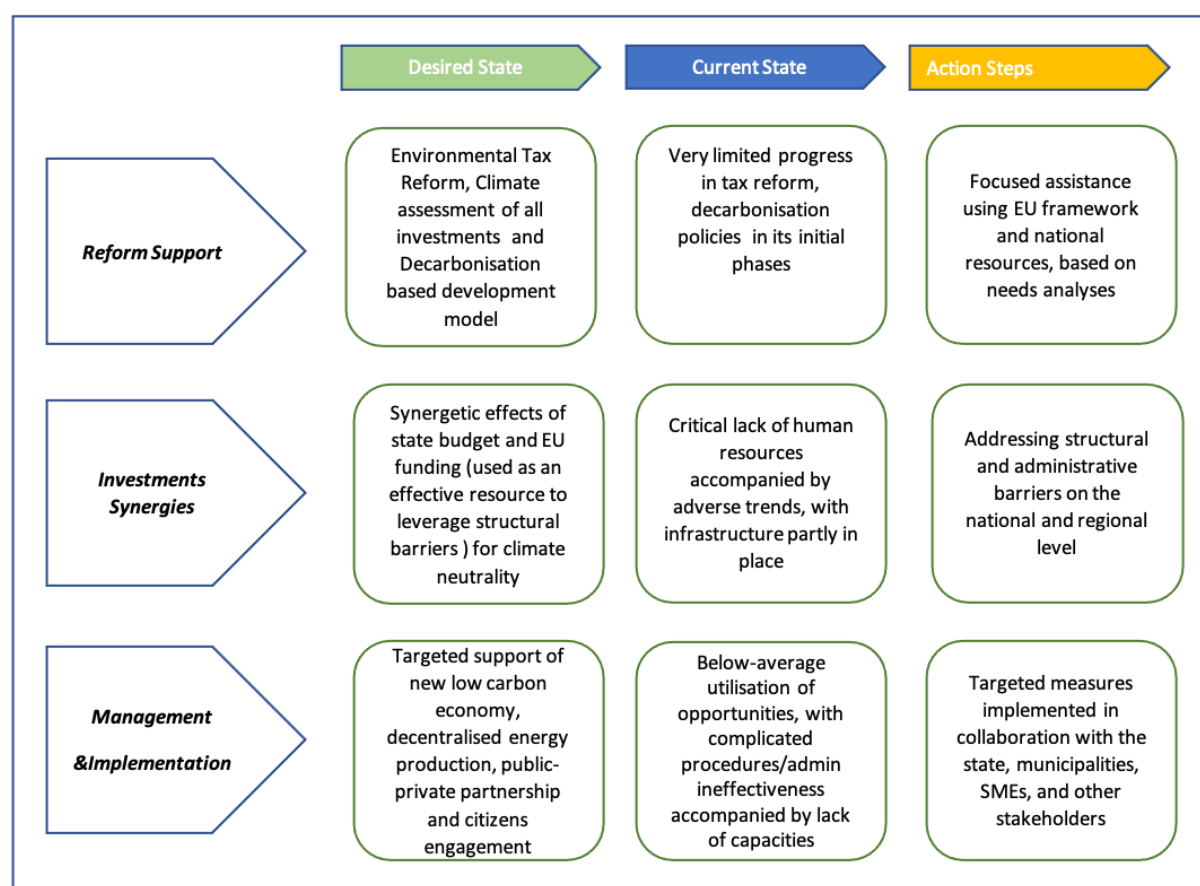
General approach to the assessment should provide justification that application *Value for Money* principle is based on solid data using *Internalisation of Externalities* methodologies. The proposed measures envisaging improving the management of investments and increasing their economic benefits by increasing the efficiency of the processes and by prioritizing projects with higher value for money need to include climate/environmental criteria into the assessment. The reforms focussing on more effective decision-making processes (e.g., decreasing number of provisions, simplifying and speeding approval processes) should provide justifications that the administrative reforms will not diminish space for good governance and complex evaluation of the environmental aspects.

IV.2. Financing climate neutrality

Financing climate neutrality would in a longer run require to restructure tax system and to optimally use resource from the EU funds. As we illustrate on Figure 6, the environmental tax reform should be combined with climate assessment of all investments (see the previous chapter). Very important is to develop overall framework of decarbonisation as development model for the national, regional and local economies.

Synergetic effects of state budget and EU funding (used as an effective resource to leverage structural barriers) should lead to climate neutrality. The shift would in the same time require targeted support of new low carbon economy by the public (i.e., constituency), while using various concepts attractive to municipalities and stakeholders, such as decentralised energy production, public-private partnerships and citizens engagement.

Figure 6. Financing climate neutrality - GAP analysis



Progress in financing carbon neutrality would also require to address various structural barriers for a better utilisation of available and incoming financial resources. There is so far very limited progress in tax reform, decarbonisation policies are only in the initial phases. The country faces critical lack of

human resources accompanied by adverse demographic and migration trends. The infrastructure for decarbonisation is partly in place, but it would require further training, investments and evaluations.

Below-average utilisation of opportunities (e.g., experience from the cohesion policies implementation) are in practise visible in complicated procedures/admin ineffectiveness accompanied by lack of capacities.

Development of the effective and working financial framework for climate neutrality would require focused assistance (using EU framework and national resources), based on needs analyses. Addressing structural and administrative barriers on the national and regional level with targeted measures implemented in collaboration with the state, municipalities, SMEs, and other stakeholders

V. Conclusions and Recommendations

- (1) **Generate public support:** Climate neutrality is an unique opportunity for economic and social transformation leading not only to mitigation/adaptation to climate change, but also to competitiveness of the industry and service.
- (2) **Secure social dimension of the transformation:** Development of instruments of welfare state, bringing in unambiguous definitions of vulnerable households leading to easily defined and verified eligibility of the people for social compensations and for targeted support in energy efficiency and RES for vulnerable households
- (3) **Climate assessment of public investments:** Development of assessment tool for all public investments using six taxonomy areas, implementation of taxonomy as a classification system on all public investments, establishing a list of environmentally sustainable economic activities and preventing investments to climate adverse projects and activities.
- (4) **Building synergies instead of overlaps:** Enhance policy and management framework for building complementarities and synergies among various available and upcoming sources of financing for climate neutrality.
- (5) **Enhance implementation framework:** Effective use of the available resources would require to build on the assessment of the cohesion policies experience and further develop effective system for implementation and increasing absorption capacities.

There is growing public support for more ambitions and imminent pro-climate policies and action in Slovakia and the network of policies has been enhanced recently. The international and especially the EU framework proves to be crucial in this respect. In spite of COVID-19 pandemic, dominating public agenda since the early 2020, climate change has strengthened its position in the public discourse. Slovakia is however far from a rapid transformation path to carbon neutrality and there will be lots of efforts needed to accelerate transformation towards decarbonised economy. International framework of global goals of the Paris Agreements needs to be enhanced by ambitious EU policies and supported by domestic political bottom-up pressure.

Coordination of policies among individual sectors (i.e., ministries) is weak, in spite of the newly established *Council of the Government of the Slovak Republic for the European Green Agreement*. A Climate Law under preparation, supported by clearly targeting investments into decarbonisation may provide important impetus to the process.

The positive trend is, that the public debate is not cantered by the issue of climate change per se – existence of the problem is denied only by marginal political forces and parties. The core of the debate is about economic and social costs, speed of the transformation and its impacts on Slovak industry, services and last but not least people. These are topics where politicians, academia, NGOs and business needs to find solutions and frame the public debate on opportunities affiliated with the great transformation.

The ambitious goals for 2030 and especially for climate neutrality for 2050 will however require to go from incremental changes to a more complex reform. The economic and social costs of decarbonisation will be significant. Energy prices will go up, leading to increased costs for goods and services. Many people will face insecurity at the labour market imposed by combined effects of Industry 4.0 and automatization, with impacts of decarbonisation policies.

If the negative effects are not identified early enough and addresses, a large part of the public can turn against this policy. The emerging framework of just transition of social funding is a step forward, but the question is whether this will be enough and whether such a fundamental change can be implemented without an overall environmental tax reform based on the principle of solidarity. Keeping the goals of climate neutrality while maintaining social peace would require a clear commitment to environmental tax reform based on solidarity principles.

List of Abbreviations

ACB Administrative Capacity Building	NGO Non-Governmental Organisation
BAT Best Available Techniques	NUTS Nomenclature of Territorial Units for Statistics
BATNEEC Best available techniques not entailing excessive costs	OP Operational Programme
CBA Cost Benefit Analyses	OPAARD Operational Programme Agriculture and Rural Development
EaSI EU Programme for Employment and Social Innovation	OPF Operational Programme Fisheries
EC European Commission	OPHR Operational Programme Human Resources
EFR European Funding Research (Horizon 2020)	OPII Operational Programme Integrated Infrastructure
EGF European Globalisation Adjustment Fund	OPR&I Operational Programme Research and Innovation
EIA Environmental Impact Assessment	OPQE Operational Programme Quality of Environment
ESIF European Structural and Investment Funds	RES Renewable Energy Source
ENO Power Plant Nováky	RFCS Research Fund for Coal and Steel
ERDF European Regional Development Fund	RIS3 Research and Innovation Smart Specialisation Strategy
ESF European Social Fund	R&D Research and Development
EU European Union	SE Slovenské Elektrárne (Slovak Electricity Comp.)
HBP Hornonitrianske bane Prievidza	SME Small and medium-sized enterprise
HNR Upper Nitra Region	s.r.o. Spoločnosť s ručením obmedzeným ("company with limited liability")
ICT Information and Communications Technology	S3 Smart specialisation
IN Input	TO Thematic Objective
IROP Integrated Regional Operational Programme	TPP Thermal Power Plant
JRC Joint Research Centre	URSO The Regulatory Office for Network Industries (Úrad pre reguláciu strategických odvetví)
KET Key Enabling Technology	WWTP Waste Water Treatment Plant
LIFE (Integrated Projects)	
NACE Statistical classification of economic activities in the European Community	
MC Micro Enterprise	

Annex 1. Recovery and Resilience Plan – Climate change mitigation Assessment

COMPONENT	REFORM/MEASURE	Climate change mitigation				Allocation (Mil. EUR)
		Type of contribution	Own performance	Enabling	Transition activity	
(1) Renewable Energy	Reform of the regulatory framework in the field of energy efficiency	Substantial contribution	x	x		0
	Reform of the regulatory framework in the field of electricity	Substantial contribution	x	x		0
	Reform of the regulatory framework in the field of RES support	Substantial contribution	x	x		0
	Investments in the construction of new sources of electricity from RES	Substantial contribution	x	x	x	100
	Investments in the modernization of existing sources of electricity from RES (repowering)	Substantial contribution	x		x	60
	Investments in increasing the flexibility of electricity systems for higher integration of RES	Substantial contribution	x	x		60
(2) Buildings	Reform of the harmonization of support mechanisms for the renovation of family houses provided by several ministries	Substantial contribution		x		0
	Reform of increasing transparency and streamlining of decisions of the Monuments Board of Slovak Rep.	Contribution		x		6,5
	Construction waste management reform	Contribution		x		0
	Improving the energy efficiency of family houses	Substantial contribution	x		x	500

	Restoration of public historic and listed buildings	Substantial contribution	x		x	193,5
(3) Sustainable Mobility	Reform of preparation of investment projects in transport	Substantial contribution		x		0
	Public passenger transport reform	Substantial contribution		x		25
	Reform of intermodal freight transport		Contribution	x		0
	Reform of the introduction of new policies for the long-term promotion of alternative propulsion in the transport sector	Substantial contribution		x		1
	Elimination of bottlenecks on low carbon infrastructure	Substantial contribution		x		600
	Promotion of ecological passenger transport	Substantial contribution	x	x		60
	Development of intermodal freight transport	Substantial contribution	x	x		15
	Support for building infrastructure for alternative drives	Substantial contribution		x	X	49
(4) Decarbonisation of Industry	Completion of support for brown coal combustion at the Nováky power plant and transformation of the Horná Nitra region	Substantial contribution		x	x	0
	Cost-effective reduction of emissions in industry	Substantial contribution	x	x		0
	Amendment to the IPPC Act	Substantial Risk		x		0

	Decarbonisation of industry	Substantial contribution	x	x		350
(5) Climate Change Adaptation	Landscape Planning Act	Contribution		x		0
	Reform of nature protection and water management in the country	Contribution		x		0
	Adaptation of regions to climate change with emphasis on nature protection and biodiversity development	Contribution		x		150
(6) Inclusive Education	Zabezpečenie podmienok na implementáciu povinného predprimárneho vzdelávania od 5 rokov a zavedenie právneho nároku na miesto v programe predprimárneho vzdelávania od 3 rokov	Neutral				
	Definícia konceptu špeciálnych výchovno-vzdelávacích potrieb detí a žiakov a vypracovanie modelu nárokovateľných podporných opatrení vo výchove a vzdelávaní, vrátane systému ich financovania	Neutral				
	Reforma systému poradenstva a prevencie a zabezpečenie systematického zberu dát v oblasti podpory duševného zdravia detí	Neutral				
	Implementácia nástrojov na prevenciu predčasného ukončovania školskej dochádzky a úprava F-odborov	Neutral				
	Podpora desegregácie škôl	Neutral				

	Rozšírenie kapacít materských škôl	Contribution		x		
	Debarierizácia školských budov na všetkých úrovniach vzdelávacieho systému	Neutral				
(7) Education for 21th Century	Reforma obsahu a formy vzdelávania - kurikulárna a učebnicová reforma	Neutral				
	Príprava a rozvoj učiteľov na nové obsahy a formu výučby	Neutral				
	Digitálna infraštruktúra v školách	Impact				
	Dobudovanie školskej infraštruktúry	Contribution		x		
(8) Improved Performance of Universities	Zmena financovania vysokých škôl vrátane zavedenia výkonnostných zmlúv	Neutral				
	Zavedenie systému periodického hodnotenia vedeckého výkonu	Neutral				
	Nový prístup k akreditácii vysokoškolského vzdelávania	Neutral				
	Reforma riadenia vysokých škôl	Neutral				
	Koncentrácia excelentných vzdelávacích a výskumných kapacít	Neutral				
	Investičná podpora pri strategickom rozvoji vysokých škôl	Contribution				
	Investícia do systému hodnotenia vedeckého výkonu	Contribution				

(9) R&D	Reforma riadenia, hodnotenia a podpory v oblasti vedy, výskumu a inovácií	Neutral				
	Reforma organizácie a financovania výskumných inštitúcií, najmä Slovenskej akadémie vied	Substantial contribution		x		
	Podpora medzinárodnej spolupráce a zapájania sa do projektov Horizon Europe a EIT	Substantial contribution		x		
	Podpora spolupráce firiem a verejného sektora	Substantial contribution		x		
	Excelentná veda	Substantial contribution		x		
	Podpora inovácií	Substantial contribution		x		
	Výskum a inovácie pre dekarbonizáciu ekonomiky	Substantial contribution		x		
	Výskum a inovácie pre digitalizáciu ekonomiky	Contribution		x		
	IT podpora jednotného systému grantového hodnotenia výskumu a vývoja	Neutral				
(10) Talents	Reforma migračnej politiky	Neutral				
	Zjednodušenie režimu uznávania dokladov o vzdelaní a odborných kvalifikácií pre vykonávanie regulovaného povolania	Neutral				

	Podporné nástroje a asistencia pre návratilcov a vysokokvalifikovaných zamestnancov z tretích krajín a ich rodinných príslušníkov	Neutral				
	Posilnenie vzťahov s diaspórou, podpora Slovak Global Network a ďalších iniciatív	Neutral				
	Podpora internacionalizácie v akademickom prostredí	Contribution				
(11) Modern Health Care	Optimalizácia siete nemocníc (OSN)	Negative				
	Reforma prípravy investičných plánov v zdravotníctve	Substantial contribution		x		
	Centralizácia riadenia najväčších nemocníc	Neutral				
	Optimalizácia siete akútnej zdravotnej starostlivosti	Negative				
	Nová definícia neodkladnej zdravotnej starostlivosti	Neutral				
	Reforma poskytovania všeobecnej starostlivosti o dospelých, deti a dorast	Neutral				
	Projektové riadenie a projektová príprava	Substantial contribution		x		
	Nemocnice v novej sieti - výstavba, rekonštrukcia a vybavenie	Substantial contribution	x			
	Digitalizácia v zdravotníctve	Neutral				
	Výstavba a obnova staníc záchrannej zdravotnej služby (ZZS)	Contribution				

	Obnova vozového parku záchranej zdravotnej služby	Negative				
	Akútne telemedicínske služby a kapacity Operačného strediska ZZS	Neutral				
	Podpora otvárania nových ambulancií primárnej starostlivosti v nedostatkových oblastiach	Neutral				
(12) Duševné zdravie	Vytvorenie funkčného nadrezortného koordinačného orgánu	Neutral				
	Zriadenie nadrezortných stavovských organizácií pre psychológov, logopédov a liečebných pedagógov	Neutral				
	Rozvoj akútne poddimenzovaných kapacitných oblastí v starostlivosti o duševné zdravie	Neutral				
	Projektové riadenie a projektová príprava investícií	Contribution		x		
	Vytvorenie detenčných zariadení	Contribution		x		
	Doplnenie siete psychiatrických stacionárov	Contribution		x		
	Vybudovanie špecializovaných centier pre poruchy autistického spektra (PAS)	Contribution		x		
	Vykonanie prvej epidemiologickej štúdie v oblasti duševných porúch	Neutral				
	Zriadenie fondu psychodiagnostických metód	Neutral				

	Humanizácia oddelení ústavnej starostlivosti	Neutral				
	Obnova materiálno-technického vybavenia pre vykonávanie štandardných postupov	Neutral				
	Prehodnotenie vzdelávania personálu v starostlivosti o duševné zdravie	Neutral				
	Vzdelávanie odborníkov v rezorte zdravotníctva	Neutral				
	Vzdelávanie odborníkov mimo rezortu zdravotníctva	Neutral				
	Národná linka podpory duševného zdravia počas pandémie	Neutral				
(13) Long Term Health Care	Reforma integrácie a financovania dlhodobej sociálno-zdravotnej starostlivosti	Neutral				
	Reforma posudkovej činnosti	Neutral				
	Reforma dohľadu nad sociálnou starostlivosťou	Neutral				
	Rozšírenie kapacít komunitnej sociálnej starostlivosti	Contribution	x			
	Rozšírenie a obnova kapacít následnej a ošetrovateľskej starostlivosti	Contribution	x			
	Rozšírenie a obnova kapacít paliatívnej starostlivosti	Contribution	x			
	Vybudovanie infraštruktúry pre zabezpečovanie dohľadu nad sociálnou starostlivosťou	Neutral				

(14) Entrepreneurship	Opatrenia na zníženie regulačného zaťaženia podnikania.	Substantial Risk		x		
	Nová legislatíva na zabezpečenie unifikácie a elektronizácie procesu insolvenčného konania	Neutral				
	Reforma verejného obstarávania	Substantial Risk				
	Opatrenia na zníženie regulačného zaťaženia podnikania	Substantial Risk		x		
	Digitalizácia procesov insolvenčného konania.	Neutral				
(15) Justice	Reforma súdnej mapy (legislatíva)	Neutral				
	Boj proti korupcii a posilňovanie integrity a nezávislosti súdnictva	Neutral				
	Investície do budov a reorganizácie súdov (reforma súdnej mapy)	Neutral				
	Podporné nástroje reformy súdnej mapy - digitalizácia nástrojov, modernizácia IT vybavenia a analytické kapacity	Neutral				
(16) Corruption	Zefektívnenie boja proti korupcii a praniu špinavých peňazí	Neutral				
	Modernizácia a budovanie odborných kapacít policajného zboru	Substantial contribution		x		
	Optimalizácia riadenia krízových situácií	Neutral				

	Zefektívnenie boja proti korupcii a praniu špinavých peňazí	Neutral				
	Modernizácia a budovanie odborných kapacít policajného zboru	Neutral				
	Modernizácia hasičského a záchranného systému	Neutral				
	Posilnenie administratívnych kapacít na rôznych úrovniach verejnej správy	Neutral				
(17) Digital	Budovanie prioritných životných situácií	Neutral				
	Centrálny manažment IT zdrojov	Neutral				
	Riadenie procesu digitálnej transformácie ekonomiky a spoločnosti	Neutral				
	Štandardizácia technických a procesných riešení kybernetickej a informačnej bezpečnosti (ďalej len „KIB“)	Neutral				
	Skvalitnenie vzdelávania a zabezpečenie spôsobilosti v oblasti KIB	Neutral				
	Lepšie služby pre občanov a podnikateľov	Neutral				
	Digitálna transformácia poskytovania služieb verejnej správy	Neutral				
	SeniorPad	Neutral				

	Zapojenie sa do cezhraničných európskych projektov (multi-country projects) vedúcich k budovaniu kapacít v oblasti top digitálnych technológií	Neutral				
	Podpora projektov zameraných na vývoj a aplikáciu top digitálnych technológií	Neutral				
	Fast grants – Hackathony	Neutral				
	Posilnenie preventívnych opatrení, zvýšenie rýchlosti detekcie a riešenia incidentov	Neutral				
	Rekonštrukcia a dobudovanie zabezpečených priestorov KIB	Contribution		x		
(18) Public Finance	Zlepšenie udržateľnosti dôchodkového systému	Neutral				
	Posilnenie fiškálnej disciplíny a záväznosti rozpočtu zavedením výdavkových stropov	Neutral				
	Reforma riadenia verejných investícií	Potential Risk				