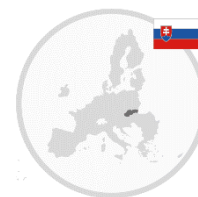


Slovakia's National Recovery and Resilience Plan



Latest state of play

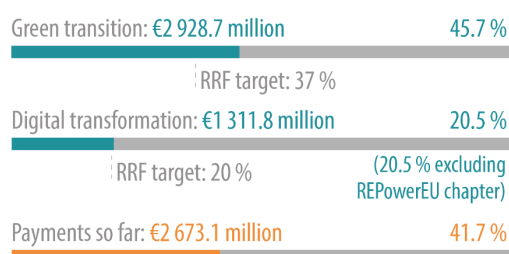
Overall resources

Recovery and Resilience Facility (RRF): €6 408.5 million

Grants: 100 %



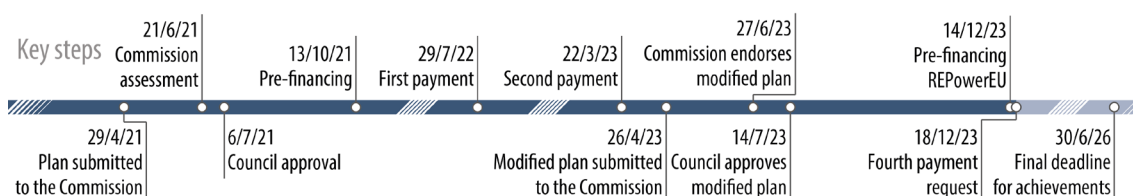
Major objectives



On [11 July 2023](#), the Council approved Slovakia's amended national recovery and resilience plan (NRRP, [Plán obnovy](#)) and allocated €6 408.5 million¹ in grants for its implementation (Slovakia did not request loans). The allocation is €79.4 million higher than that initially approved ([6 July 2021](#)). The difference results from a [2022 update](#) of the maximum financial contribution from the Recovery and Resilience Facility (RRF), which reflects changes in real gross domestic product (GDP) over time, and the inclusion of a REPowerEU chapter to reinforce the plan's energy dimension. While the allocation represents only 0.9 % of the total RRF, it stood at 6.8 % of the country's GDP in 2019 (the RRF being 5.2 % of EU-27 GDP in 2019). Slovakia's allocation per capita amounts to €1 179.

So far, Slovakia has received €2 673.1 million in pre-financing, and three payments for grants based on milestones and targets achieved. This represents 41.7 % of the total allocation including REPowerEU and is the third best result in the payment ranking, after France and Italy. The request for the fourth instalment (worth €799 million, net of pre-financing), submitted to the Commission on [18 December 2023](#), is currently under examination. According to the [indicative calendar](#) of payment requests under the plan, there should be nine requests in total, and the fifth should be submitted in the third quarter of 2024. Slovakia's modified NRRP includes 64 reforms and 64 investments, designed to tackle both the pandemic's socio-economic consequences and the long-term challenges identified by the Slovak national integrated reform plan, [Modern and successful Slovakia](#). NRRP measures are organised around six strategic priorities: green economy; education; science, research and innovation; health; efficient public administration and digitalisation; and energy (REPowerEU). The plan is strongly focused on the green transition and digital transformation, to which 45.7 % and 20.5 % of the resources are allocated respectively.

The European Parliament participates in interinstitutional forums for cooperation and discussion on RRF implementation, and scrutinises the Commission's work.



This briefing is one in a series covering all EU Member States.



Country-specific challenges

Within the European Semester, the Council adopts country-specific recommendations (CSRs), which give Member States policy guidance on how to support jobs, investment and growth, while maintaining sound public finances. Under the RRF, each NRRP is expected to effectively address at least a significant number of the country challenges identified in the CSRs for [2019](#) and [2020](#). As noted in the Commission's [analysis](#) of Slovakia's NRRP, challenges identified in the CSRs include those related to long-term sustainability and fiscal policy; resilience of the healthcare system and provision and coordination of care; quality, access and inclusiveness of education; investment focus on specific areas; green and digital transitions; effectiveness and integrity of the justice system, and fight against corruption and money laundering; business environment and competitiveness; public administration and public procurement.

While the [Slovak economy](#) contracted during pandemic by 4.4 % (2020), it quickly recovered, with 1.3 % GDP growth in 2023 and expansion expected at 1.7% in 2024. Unemployment stood at 6.7 % in 2020 and remained at 5.7 % in 2023; during the pandemic, it has risen less than during the global financial crisis in 2008-2009. Governmental support measures, reinforced by the EU [SURE instrument](#),² have helped stabilise the labour market through part-time work schemes and pandemic nursing and sickness benefits. Although statistically reducing the average wages, these measures stabilised the population's disposable income and thus household consumption. Due to high level of foreign direct investment (FDI), Slovakia is facing modest [shortages](#) of skilled labour force. At the end of 2023, rating agency Fitch [attributed](#) an 'A' with stable outlook to Slovakia. Previously Fitch expected the absorption of the Next Generation EU (NGEU), the main component of which is the RRF, to contribute increasingly to GDP growth, reaching a peak in 2024.

The main remaining [structural challenges](#) include the deficit of public finances ([expected](#) around 6 % in 2024) and new refinancing conditions. Furthermore, [gross debt level](#), at 57.8 % to GDP, increased rapidly during the pandemic period when Slovakia benefited from favourable financing conditions, with yields up to 10 years in negative territory in 2020-2021; about half of all bonds issued in 2021 were at negative yields. The continued participation of the European Central Bank (ECB) in the Slovak government bond market (despite the expected scaling down of the pandemic emergency purchase programme in 2022) was supportive of financing conditions for Slovakia. With normalisation of ECB monetary policy, Slovakia will face increased yield and more constraint in refinancing. The NRRP, combined with EU funds, is therefore deemed a suitable instrument to support investment and reforms.

As noted in the Commission's [2023 CSR](#), Slovakia is well advanced in implementing NRRP reforms. However, more effort is needed, especially on deep renovations of public and private non-residential buildings, together with renovation measures targeting energy poverty and vulnerable households. Sustainable efforts are needed also in creating renewable sources of energy, with 7 % of total installed capacity in 2022, Slovakia ranges at the second lowest level in the EU. Another structural challenge is Slovakia's heavy dependency on automotive production, a sector in full mutation owing to technological change, the green transition and global competition. In 2023, automotive industry regained pre-pandemic level, with some 1.08 million cars produced. In 2023, the Slovak [automotive manufacturing sector](#) accounted for 10.4 % of GDP, 46.5 % of industrial production and 41.4 % of exports. The short-term risk to the sector arises from geopolitical challenges linked to Russia's war on Ukraine and less favourable conditions in some markets.

Finally, Slovakia is also facing a middle-income trap and slow or [stagnating real convergence](#) with both the EU-27 and regional partners from the Visegrád Group (V4). According to the 2023 CSR, high-quality education and training systems that respond to changing labour market needs and targeted upskilling and reskilling measures are key to reducing skills shortages and promoting labour inclusion and reallocation. High regional disparities and the socio-economic integration of a large Roma population remain challenges to be tackled also through the RRF. The Commission [deemed](#) the implementation of the NRRP as well under way, but with some challenges ahead.

Objectives and structure of the plan

Figure 1 – Breakdown of funding by areas



While the overall goal of the Slovak NRRP is to support the country's economic and social recovery from the crisis caused by COVID-19, it also aims to contribute to sustainable growth and improved quality of life in Slovakia. The plan addresses challenges identified under the European Semester in 2019 and 2020, in particular in education, childcare, healthcare, research and innovation, digitalisation, the green transition, fiscal policy and public finances, the judicial system, the fight against corruption, and public procurement. Moreover, the plan's REPowerEU chapter includes

eight new investments and six new reforms aiming to improve strategic autonomy and resilience of Slovakia's energy sector. Overall, Slovakia's NRRP envisages a mix of complementary reforms (64) and investments (64), organised around **19 components** and grouped under **six priority areas**.

1. **Green economy.** The reforms and investments in this area are aimed at developing sustainable transport,³ achieving a faster shift towards renewable energy sources, improving energy efficiency of buildings, and supporting industry decarbonisation. With some 33 % of the overall budget allocated to it, the green economy is the biggest priority area in the plan.
 
2. **Education.** The plan has a strong focus on education. This area includes measures to improve accessibility and inclusiveness of the educational system in Slovakia; develop pupils' literacy, critical thinking and digital and soft skills; strengthen the skills level of teaching staff; and improve the quality of performance of Slovak higher education institutions. The cost of the reforms and investments under this priority amounts to 13 % of the total allocation.
 
3. **Science, research, innovation.** This priority area encompasses measures to boost Slovak research, science and innovation, and attract and retain highly qualified people from Slovakia and abroad in the country. Important reforms included in the cluster concern the research and innovation governance system. The overall cost of the measures represents some 10 % of the plan's financial allocation.
 
4. **Health.** The aim under this priority is to carry out policy reforms and provide investment focusing on provision of modern, high-quality and accessible healthcare. The measures include the construction and equipping of new hospitals and ambulance stations, modernisation of psychiatric and psychological socio-medical care, and investments in long-term care. The actions represent about 22 % of the plan's estimated cost and is the second biggest spending area.
 
5. **Efficient public administration and digitalisation.** This priority area contains a broad range of measures, from improving the business environment, to increasing the efficiency and independence of the judicial system and efforts against corruption, to digitalising public administration, developing e-services for citizens and business, and improving cybersecurity. Slovakia also included several multi-country projects in this investment area, which will facilitate Slovakia's participation in EU programmes relating to the digital economy, such as the European digital innovation hubs and European blockchain services infrastructure. Almost 16 % of the total RRF support for Slovakia is dedicated to this priority.
 
6. **REPowerEU.** In line with the priorities of the [REPowerEU initiative](#), Slovakia added to the plan six reforms and eight investments aiming to reduce the country's dependency on fossil fuels, in particular those imported from Russia. The measures are focused on promotion and deployment of renewable energy sources (particularly by improving the issuing of environmental permits and modernising and digitalising transmission systems,
 

including those with a cross-border dimension); improvements of energy efficiency of buildings (governmental, public and private); development of sustainable passenger transport; and improvements of education systems and skills relevant for the green transition. Representing 6 % of the total allocation, the REPowerEU chapter is the smallest in the NRRP.

The plan reflects Slovakia's objective of speeding up transition to a low-carbon economy, in line with its integrated national [energy and climate plan](#) for 2021-2030, and its commitment to achieve climate neutrality by 2050. After including the REPowerEU component, the overall contribution to the climate objective stands at 45.7 % of the plan's total cost, thus exceeding the minimum target of 37 % set in [Regulation \(EU\) 2021/241](#) on the RRF ('RRF Regulation'). Measures linked to this priority are present in 15 out of the plan's 19 components, with the largest part of the climate contribution under priority area 1 ('Green economy') and in the REPowerEU chapter.

The Slovak plan exceeds by 0.5 % the minimum 20 % spending target in the area of digital transformation (excluding spending under REPowerEU, to which that target does not apply). In this way, the NRRP helps implement the Slovak 2030 [digital transformation strategy](#). The relevant reforms and investments concern, for example, digitalisation of sustainable transport, development of digital skills, and digital technologies for public administration and healthcare. The above-mentioned multi-country projects also represent a contribution to this goal.

Gender equality is among the horizontal aspects to be taken into account in the NRRPs. The Slovak plan includes a separate chapter on the issue, stating that respect for gender equality is safeguarded as a horizontal requirement in all of the plan's measures. However, the Commission [estimated](#) that only about 1 % of all measures envisaged in the plan focus on gender equality. As shown in an [EPRS analysis](#), neither gender equality nor women are specifically mentioned in the [milestones and targets](#) used as a reference for assessing the plan's implementation and deciding on disbursement of the funds.

According to the [media](#), the new Slovak government, [created](#) following the snap elections, on 21 November 2023, is working on a targeted revision of the plan. Peer Kmec, deputy Prime Minister responsible for the recovery plan, [declared](#) that the aim would be to take better into account the needs of regions and thereby improve the implementation of the recovery plan.⁴

Table 1 – RRF allocation for Slovakia by area and component (€ million)

Areas	Components	Allocation (grants)	Share of total allocation
1. Green economy		2103.1	33 %
	C1. Renewable energy sources and energy infrastructure	206.7	3 %
	C2. Renovation of buildings	619.9	10 %
	C3. Sustainable transport	759.3	12 %
	C4. Decarbonising industry	367.9	6 %
	C5. Adaptation to climate change	149.3	2 %
2. Education		817.6	13 %
	C6. Accessibility, development and quality of inclusive education	210	3 %
	C7. Education for the 21st century	448.6	7 %
	C8. Improving the performance of Slovak universities	159	2 %

3. Science, research, innovation		670.3	10 %
	C9. More efficient management and strengthening of research, development and innovation funding	576.2	9 %
	C10. Attracting and retaining talent	94.1	1 %
4. Health		1 400.2	22 %
	C11. Modern and accessible healthcare	1 072	17 %
	C12. Humane, modern and accessible mental healthcare	81.7	1 %
	C13. Accessible and high-quality long-term socio-healthcare	246.5	4 %
5. Efficient public administration and digitalisation		1 015	16 %
	C14. Improving the business environment	11.6	0 %
	C15. Judicial reform	232.8	4 %
	C16. Fight against corruption and money laundering, safety and security of the population	209	3 %
	C17. Digital Slovakia (mobile state, cybersecurity, fast internet for everyone, digital economy)	561.6	9 %
	C18. Sound, sustainable and competitive public finances	0	0 %
6. REPowerEU	C19. REPowerEU	402.7	6 %
Total		6 408.9	100 %

Data source: European Commission, [SWD\(2023\) 238](#). Any discrepancies are due to rounding.

Reforms













Overall, the [annex](#) to the Council implementing decision on Slovakia's plan lists 64 reforms, attributing each of them to one of the components (see Table 2 below). Reforms are concentrated in the initial years to address existing barriers to the implementation of measures, establish favourable conditions for investment, and trigger positive change for Slovak society and the economy. Key reforms include green investment and decarbonisation of industry, improved healthcare- and judicial system reforms, and digitalising companies and the public administration. The business environment is expected to improve further through reduced regulatory burden, as well as integration of foreign skilled labour force.

Among the most discussed and anticipated reforms are those under component 11 ('Modern and accessible healthcare'). The objective of the main reform, related to optimising the hospital network, is to improve the quality and efficiency of in-patient healthcare by defining the typology and

hierarchy of care, and minimum conditions for the provision of medical services. Implementation of the reform must be completed by 31 December 2025. Linked to this is the reform of the preparation of the plan for health investment projects under joint management of the Ministry of Health and the Ministry of Finance. The reform was implemented by 30 June 2022. Under component 15 ('Judicial reform'), re-organisation of the 'judicial map' triggered a discussion on which courts should be moved, and where on the new map they should be moved to. The reform was finally [adopted](#) on 27 April 2022 (just ahead of the 30 April 2022 deadline).

The modified NRRP comprises six new reforms under the REPowerEU chapter (component 19). They seek to reduce overall dependency on fossil fuels imports from Russia, increase energy security, and help integrate renewables into the Slovak energy mix faster and more widely.

Table 2 – Examples of reforms to receive support under Slovakia's NRRP

	 Area 1	 Area 2	 Area 3	 Area 4	 Area 5	 Area 6
No of reforms						
Examples of reforms by area	<ul style="list-style-type: none"> Adapting the electricity legal framework Harmonising support mechanisms for the renovation of family houses Reform of public passenger transport Termination of coal-based electricity production at Nováky power plant and transformation of the Upper Nitra region 	<ul style="list-style-type: none"> Providing conditions for implementing compulsory pre-primary education for children from the age of five, and introducing a legal entitlement to a place in kindergarten Reforming the content and form of education (curricular and textbook reform) Reforming the governance of universities 	<ul style="list-style-type: none"> Reforming governance, evaluation and support in science, research and innovation Reforming residence and labour legislation Simplifying the regime for the recognition of educational and professional qualifications for the exercise of regulated professions 	<ul style="list-style-type: none"> Optimising the hospital network Reforming primary-care provision for adults, children and youth Developing acutely underestimated capacity areas in mental healthcare Integrating and financing of long-term social care and healthcare 	<ul style="list-style-type: none"> Reducing regulatory burden for businesses Improving public procurement procedures Reorganising the judicial map Modernising and building the capacity of the police force Developing e-government solutions for priority life situations Improving the sustainability of the pension system 	<ul style="list-style-type: none"> Support for the green transition in renewable energy sources Support for the creation of a database and data exchange system on the energy performance of buildings Reform of the management of government buildings Support for the rehabilitation of single-family houses Support for education and skills for the green transition

Investment

EU funds remain a significant part of public investment in Slovakia.⁵ The RRF financial support represents 6.8% of Slovak GDP in 2019, and is expected to contribute significantly to economic growth and job creation in the country. According to the Commission's analysis, thanks to the investments included in the NRRP, Slovakia's GDP can be higher by between 1.3% and 1.8% on average during the 2021-2026 period, compared with a scenario without the RRF.

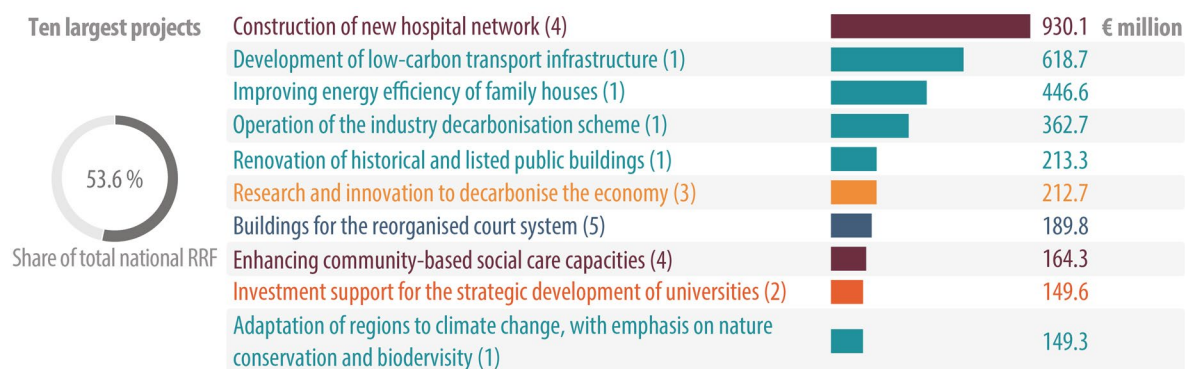
The plan includes 64 investments, most of them under areas 4 ('Health') and 5 ('Public administration and digitalisation'). However, in terms of cost, the largest part of the plan's allocation (33%) will be spent on investments in area 1 ('Green economy'). The biggest investment is that in the new hospital network (area 4, component 11, 'Modern and accessible healthcare'). Its cost represents 15% of the total RRF allocation for Slovakia and it consists of upgrading the existing and building new infrastructure for modern health systems, and developing the hospital network. This investment is among the measures that were modified as a result of the reduction of the grant allocation and

significant increases in construction costs.⁶ The investment targets were revised downwards: for example, the overall objective of at least 2 400 beds created or renovated was reduced to 1 980.

The plan's second biggest investment (€618.7 million, or 10 % of the total allocation) is dedicated to developing low-carbon transport infrastructure. It will support, for example, electrification of railway lines, modernisation of tram and trolleybus lines, and construction of cycling infrastructure.

Table 3 – Examples of investment measures to be supported under Slovakia's NRRP, by area

	Area 1	Area 2	Area 3	Area 4	Area 5	Area 6
Allocation € million	2 103.1	817.6	670.3	1 400.2	1 015.0	402.7
No of projects	12	4	10	15	15	8
Examples of investments by area	Improving energy efficiency of family houses (C2) Renovation of historical public buildings (C2)	Digital infrastructure in schools (C7) Completion of school infrastructure (C7) Investment support for the strategic development of universities (C8)	Excellent science (C8) Financial instruments to support innovation (C9) Scholarships for domestic and foreign students (C10)	New hospital network – construction, reconstruction and equipment (C11) Digitalisation in health (C11)	Buildings for the reorganised court system (C15) Engaging in multi-country European projects related to digital economy (C17)	Modernisation and digitalisation of transmission system and regional distribution systems (C19) Promoting cleaner passenger transport (C19)
Examples of activities	Renovation of at least 25 164 single-family houses, while achieving on average at least 30 % primary energy savings Renovation of at least 93 622 m ² of floor areas of historical and listed public buildings, while achieving on average at least 30 % of primary energy savings	Participation of some 10 000 teachers and specialist staff in trainings and other information activities Removal of physical, information and technological barriers in 182 large secondary schools to enable disadvantaged children to follow their education in a pleasant environment	Completing the transformation of the Slovak Academy of Sciences (SAS) into a public organisation to enable stimulating multi-source funding and cooperation with the private sector Increasing the percentage of schools with full digital entry from 30 % to at least 90 % according to defined information and communications technology (ICT) standards built on the 'highly equipped and connected classroom'	Ensuring universal availability of ambulances – the reformed hospital network will have to guarantee that 90 % of Slovakia's population can access ambulance services within 15 minutes. Modernisation of the fleet of ambulances Centralisation of enterprise resource planning to be carried out in the pilot projects of 19 hospitals	Construction or acquisition of at least 24 909 m ² of court buildings, and renovation of at least 111 931 m ² of court buildings. Renovations are meant to achieve average primary energy savings of at least 30 % Commissioning of a supercomputer for the national supercomputing centre	At least 225 km of transmission lines to be modernised At least 469 MW of cumulative additional capacity for connection of renewable energy sources to the distribution networks to be achieved At least five additional multiple electric units and 10 trams to be put into operation



Data source: [Návrh zmeny Plánu obnovy a odolnosti Slovenskej republiky – nové znenie](#), 25 April 2023.

Governance

To implement the NRRP, the Slovak government has set up a dedicated structure, the Council for the Recovery and Resilience Plan of the Slovak Republic (NRRP Council); minutes of its [first](#) and [second](#) meeting are available online. It is chaired by the prime minister (with the chair of the prime minister's office acting as vice-chair), and composed of 40 members representing government, local and regional authorities, civil society and other stakeholders. The NRRP Council secretariat is headed by the director-general of a new directorate-general for the NRRP, which is directly attached to the prime minister's office and also serves as the national implementation and coordination authority (NIKA). NIKA ensures central coordination, monitoring, and reporting to the Commission, and acts as the main contact point for both the Commission and the 11 ministries responsible for implementing the plan's 18 components.

In 2021, the Slovak government adopted the NRRP Council's [statute](#) with detailed [rules of procedure](#); in 2022, it approved the NRRP Council's internal rules. The Ministry of Finance, together with other authorities, is responsible for auditing the plan's implementation and ensuring transparency in its execution. While the plan does not specify how, and how frequently, the government is to report on the NRRP to the Slovak national assembly, regular meetings and consultations are in place.

Slovakia has set up a dedicated [website](#) on the plan, which provides an overview of its components, along with contact and other relevant information. The website also gives information on the [100 biggest final beneficiaries](#) of the RRF in Slovakia, as required by Article 25a of the RRF Regulation.

Commission assessment

Figure 3 – Commission ratings by criteria



Data source: European Commission, [SWD\(2023\) 238](#).

On 21 June 2021, the [European Commission](#) assessed Slovakia's plan positively, proposing that the Council approve it. For 10 out of the 11 assessment criteria set in the RRF (RRF Regulation, Annex V), the Commission gave the highest possible rating (A) to the plan. Only criterion No 9 on costing received a B (medium) rating, as was the case for all other national plans approved thus far. The Commission expects Slovakia's plan to contribute significantly to both recovery from the COVID-19 crisis and economic, social and territorial cohesion. Furthermore, it states that the plan is a comprehensive and adequate response to the long-standing challenges the country is facing, and addresses all six pillars under Article 3 of the RRF Regulation appropriately (criterion No 1). The

plan envisages an adequate response through a comprehensive set of mutually reinforcing and coherent measures, structured around five areas (see above), which are expected to help address Slovakia's social and economic challenges outlined in the 2019 and 2020 CSRs in an effective way (criteria Nos 2 and 11). The plan is expected to enhance economic growth, stimulate job creation and the growth potential of Slovakia's economy, and increase social, economic and institutional resilience (criterion No 3). Estimates by the Slovak government and the Commission show the positive impact the recovery instrument will have on the Slovak economy and society. According to the Commission's simulation, Slovakia's GDP could increase by between 1.3 % and 2.1 % by 2026, generating up to 20 000 new jobs. Spill-over effects of the other Member States' recovery plans can account for 0.6 % of GDP in 2026. On top of the estimated GDP growth, the Commission expects additional and substantial positive effects of structural reforms undertaken as part of the measures under the plan.

The Commission finds that the measures in Slovakia's NRRP have been designed in line with the principle '[do not significant harm](#)' (DNSH) to the environment (criterion No 4), and that they focus strongly on climate change mitigation. Furthermore, the proposed measures are expected to bring about structural changes and have lasting impact (criterion No 7). In particular, reforms of the justice and education systems and measures aiming to combat corruption and money laundering should contribute to structural and lasting changes. Digitalisation of public administration and a wide range of institutions is expected to reduce costs and improve the quality of public services. Investment in sustainable transport and energy efficiency of buildings is anticipated to have lasting impact on lowering emissions. The Commission considers that the control mechanisms envisaged by the plan are adequate to prevent, detect and correct corruption, fraud and conflicts of interest, and to avoid double funding from EU programmes (criterion No 10).

Finally, the Commission assessed the amended plan positively and confirmed the A rating on all criteria except costing. Two additional criteria – on the objectives and on the REPowerEU chapter's cross-border or multi-country dimension (criteria Nos 12 and 13) – were also rated A.

Council decision and pre-financing

Slovakia was among the first Member States to submit a national plan ([29 April 2021](#)) and receive a positive assessment from the European Commission (21 June 2021). Based on this, on [6 July 2021](#), the Council adopted its implementing decision on the approval of the Slovak plan, formally launching the plan's implementation. Following Council approval, the Commission and Slovakia signed the financing agreement, which cleared the way to a pre-financing payment equivalent to 13 % of the country's grant. On [13 October 2021](#), the Commission disbursed €822.7 million in pre-financing, enabling Slovakia to [kick-start](#) the plan's implementation. Pre-financing will be gradually cleared by reducing the subsequent actual disbursements that are based on achieving the investments and reforms outlined in the annex to the implementing decision.

On [26 April 2023](#), Slovakia submitted to the Commission a modified NRRP. It reflected a downward revision (-€322.8 million, i.e. - 5.1 %) of the RRF grant allocation as a result of the [changes in real gross domestic product](#) (GDP) (32 measures affected); an upward revision related to the inclusion of eight new investments and six new reforms under the REPowerEU chapter (+€402.7 million, mainly in additional REPowerEU grants);⁷ and changes of objective circumstances such as the very high inflation (36 measures affected). On [14 July 2023](#), the Council confirmed that Slovakia was set to receive €6 408.5 million in grants (current prices, rounded) over the plan's lifetime. The pre-financing for the realisation of the REPowerEU measures (€80.5 million) was paid out on [14 December 2023](#). Moreover, the timeline for payment requests, as specified in the [operational arrangements](#), was modified (see below). Under the RRF Regulation, the allocation must be paid out at the latest by the end of 2026.

European Parliament

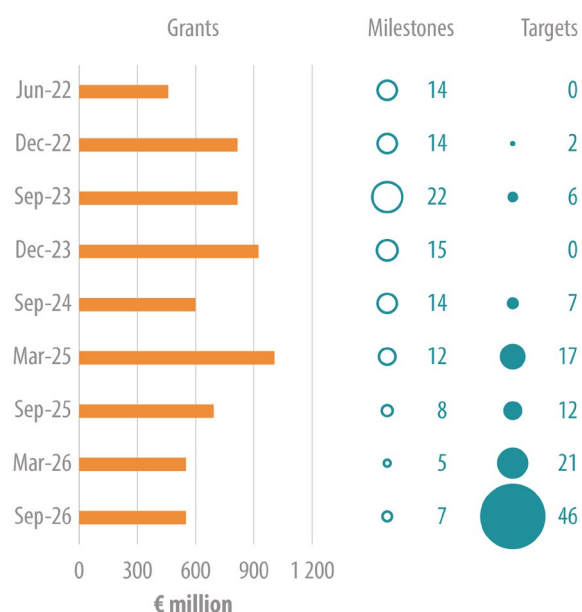
Following the outbreak of the pandemic, the European Parliament was a [major advocate](#) of launching a common EU recovery instrument, and established the RRF as co-legislator with the Council. Based on the RRF Regulation and the [Interinstitutional Agreement](#) (IIA) on budgetary matters, Parliament can scrutinise the Commission's work on the assessment of national plans.

Within Parliament, the Conference of Presidents has established a standing working group on the scrutiny of the RRF, comprising the Committee on Budgets (BUDG) and the Committee on Economic and Monetary Affairs (ECON). This working group prepares and follows up on the recovery and resilience dialogue that Parliament holds every two months with Commission representatives. Moreover, the IIA provides for interinstitutional meetings between Parliament, Council and Commission on the implementation of the broader NGEU recovery instrument. These meetings are held *in camera* at least three times a year. Through the [discharge procedure](#), Parliament also ensures democratic scrutiny of how NGEU resources are spent.⁸

Members of the European Parliament discussed risks related to implementation of the Slovak NRRP as part of the [plenary debate](#) on the rule of law in Slovakia on 13 December 2023. The debate was triggered by recent announcements made by the new Slovak government led by Robert Fico of a proposal to introduce changes to the criminal code and the anti-corruption framework, including dissolution of Special Prosecutor's Office. In a resolution adopted on [17 January 2024](#), Parliament expressed concern that the proposed legislative changes could pose risks to the effective protection of EU financial interests. Following this – given the relevance of the changes for implementing the Slovak NRRP, in particular the milestones relating to the judicial reform and fight against corruption – the Members of the Budgetary Control Committee (CONT) and representatives of the European Commission discussed the issue on [22 February 2024](#).

Milestones and targets

Figure 3 – Timeline of milestones and targets



Data source: Annex II to the [operational arrangements](#) between the EU and Slovakia.

Disbursements under the RRF are performance-based and will reflect progress on the implementation of the milestones (qualitative goals) and targets (quantitative goals). Overall, after the amendments, the Slovak plan consists of 111 milestones and 111 targets. Milestones are more concentrated in the first instalments, and targets more in the last. Figure 3 shows an indicative timeline for submitting payment requests. The planned instalments are not equal: the highest are concentrated in the fourth quarter of 2023 and the first quarter of 2025. Compared with the previous version of the timeline, the third, fourth and fifth payment requests have been postponed, each by 3 to 6 months.

So far, Slovakia received three payments based on the achievement of 57 milestones and targets (on [29 July 2022](#), [22 March 2023](#) and [28 December 2023](#)).⁹

This, together with two tranches of the pre-financing, brought the resources received by the Member State to €2 673 million, i.e. 41.7 % of the total allocation (see the annex to this briefing for more details).

At the beginning of 2023, the press [reported](#) that the implementation of some milestones and targets under the NRRP, such as those linked to hospital construction projects, health and education reforms, were encountering problems.¹⁰ Despite this, the fourth payment request worth €799 million (net of pre-financing) was submitted by Slovakia on [18 December 2023](#), i.e. in line with the amended timeline. Within two months, the European Commission should assess if 15 milestones linked to the payment have been satisfactorily fulfilled. These include a new law on public passenger transport, reforms in the education system, new and changed legislation improving different aspects of the healthcare system (for instance emergency, palliative and long-term healthcare), reforms concerning the judicial system, and the fight against corruption and money laundering.

Views of Slovak stakeholders

The NRRP generally received positive reactions and support from across political parties and civil society. The cover letter to the plan, [signed](#) on 28 April 2021 by all major political representatives, the president of Slovakia, the speaker of the National Assembly and the Slovak prime minister, sent a strong signal of national unity behind the plan and its objectives. There was also agreement on the strategic orientation, as it was based on an in-depth analytical report outlining a national integrated reform plan ahead of 2030, [Modern and successful Slovakia](#). The reform plan was prepared by some 100 experts, in close cooperation with local and regional authorities and civil society, which – together with representatives of government and other bodies – are also NRRP Council members.

Dissonant views arose regarding some of the reforms, both on their content and on the timing and details of their realisation. The two most difficult agreements were the adoption of the 'judicial map' in the context of the judiciary reform, and the reform of the preparation of the plan for health investment projects (under joint management of the Ministry of Health and the Ministry of Finance) relating to the construction of new hospitals.

The draft judiciary reform – adopted just three days ahead of the 30 April 2022 deadline, as noted above – was criticised by an association of [judges](#) and representatives of [local and regional authorities](#). The main [concerns](#) of the Association of cities and municipalities of Slovakia (ZMOS) were that the proposed reform would cut down by half the number of local courts, and even more radically the number of specialised courts, while key issues, such as the judicial system's technical equipment and human capacities, would remain unaddressed. The adopted [reform](#) reduced the number of local courts from 54 to 33, raising protests by some local authorities concerned, which argued that the reform would put courts out of reach of some citizens owing to longer distances and increased travel time.

The other most controversial part of NRRP reforms concerned the reform of the hospital network and the investment plan for new hospitals (component 11, 'Modern and accessible healthcare'). The plan's main challenge was to determine the location and number of new hospitals. After three discussions in government, the reform [plan](#) for the construction of new hospitals was approved on 1 July 2022. The government agreed to build two new hospitals, one in Martin (northern Slovakia) and one in the capital, Bratislava.

Several stakeholders raised the issues of inflation and increased construction costs, which might request total repricing and re-allocation of the individual investments and targets. According to [experts](#) from the Slovak Foreign Policy Association (SFPA), the NRRP itself aggravates inflationary pressure in Slovakia.

EUROPEAN PARLIAMENT SUPPORTING ANALYSIS

[Economic and Budgetary Outlook for the European Union 2023](#), EPRS, January 2023.

[EU recovery instrument](#), EPRS infographic, updated weekly.

[National Recovery and Resilience Plans: Latest state of play](#), EPRS blog, last update February 2024.

OTHER SOURCES

[European Statistical Recovery Dashboard](#) website, Eurostat.

[Recovery and Resilience Scoreboard](#) website, European Commission.

[Plán obnovy](#) website on the NRRP, Slovak government.

ENDNOTES

- ¹ The graphics and tables in this briefing are based on the Council [implementing decision](#) (and [annex](#)) on Slovakia's amended NRRP approved on 11 July 2023, the Commission assessments of the NRRP ([21 June 2021](#) and [26 June 2023](#)), and operational arrangements between the Commission and Slovakia ([21 September 2023](#)). Data used reflect their source at the time of extraction; moreover, there may be discrepancies between data from different sources.
- ² Slovakia has received €630 million under the instrument.
- ³ For more information, see [Addressing the challenges of Green Transition in national Recovery and Resilience Plans: a preliminary assessment](#), Economic Governance Support Unit, European Parliament, November 2022.
- ⁴ According to the State Secretary for the Recovery Plan, Alena Sabelová, the revision will concern only a very small set of goals. See: 'Sabelová: The revision of the Slovak Recovery and Resilience Plan will reduce a small set of targets', [press release](#), Teraz.sk, 15 February 2024.
- ⁵ In the 2014-2020 period, about 60 % of government investment in Slovakia was financed from EU structural and investment funds. See: Cohesion in Europe towards 2050. Eighth [report](#) on economic, social and territorial cohesion, European Commission, 2022.
- ⁶ The initial allocation for the investment amounted to €998.3 million. See: [Aktualizácia Plánu obnovy a odolnosti SR a nová zelená kapitola REPowerEU](#), presentation, Úrad Vlády Slovenskej Republiky, 2023.
- ⁷ The REPowerEU measures under the NRRP of Slovakia are financed partly from the grants based on the Emission Trading System in accordance with Article 21a(6) of the RRF Regulation (€366.4 million), and partly from the transfer from the Brexit Adjustment Reserve (€36.3 million).
- ⁸ Dedicated chapters on EU spending under the RRF (grants) are included in the European Parliament decision on the discharge for the financial year [2021](#), and in the CONT committee draft report on discharge for the financial year [2022](#) (the [procedure](#) is ongoing).
- ⁹ To follow the progress of implementation, see the '[traffic light](#)' illustration on the Slovak government's website.
- ¹⁰ According to [The Slovak Spectator](#), interim health minister Vladimír Lengvarský has [resigned](#) over delays and ambiguities regarding selection of successful applicants in major projects financed from the recovery plan. The newspaper informed that the President of Slovakia, Zuzana Čaputová, [confirmed](#) that there have been problems with meeting the plan's milestones.

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Third edition. The 'Monitoring EU recovery' briefings are updated at key stages throughout the lifecycle of the plans.

Annex – Payments received by Slovakia so far

On [13 October 2021](#), Slovakia received €822.7 million in pre-financing (13 % of its initial financial allocation).

On [29 April 2022](#), Slovakia made a first payment request for the disbursement of €398.7 million in grants (net of pre-financing). Three months later, on 29 July 2022, the payment was [approved](#), based on the fulfilment of [14 milestones](#) covering reforms in the areas of: judicial system; higher education and research and development; fiscal framework; energy system; sustainable mobility; anti-corruption; digitalisation of the public sector; and audit system for RRF implementation. In particular, Slovakia prepared an investment plan for railway infrastructure projects (until 2027); developed a [methodology](#) for identifying, selecting and implementing projects for cycling infrastructure; adopted an [amending law](#) on higher education Institutions aimed at improving the management system of higher education; and approved a roadmap and investment plan for the integration of Trnava University and the University of St. Cyril and Methodius, both located in Trnava.

Slovakia achieved the first of two milestones relating to the reorganisation and new geographical distribution of the courts ('judicial map'). The other milestone relating to that reform is planned for the first quarter of 2023. Furthermore, Slovakia adopted a package of legislative changes seeking to improve integrity and independence of the judiciary, and fighting corruption and money laundering. For proper monitoring and control of NRRP implementation, Slovakia established a National Implementation and Coordination Authority (NICA), and a repository system for recording and storing data relating to RRF implementation (for example on final recipients, contractors and sub-contractors).

On 25 October 2022, Slovakia [submitted](#) a payment request to the Commission for the second instalment (€708.8 million in grants, net of pre-financing). The request was [assessed](#) positively, and the second payment was made on [22 March 2023](#). The payment was linked to the satisfactory [achievement](#) of 14 milestones and two targets in such areas as the circular economy, education, health system, research and innovation, protection of nature and biodiversity, digital skills, public procurement, and fight against corruption. In particular, the milestones achieved included: entry into force of the amendment to the Act on waste that improves waste management in the construction and demolition sector; changes in the organisation, governance and evaluation of state support for research and development; adoption of acts simplifying and accelerating the recognition of educational and professional qualifications (for instance for providers and workers in the healthcare sector); legislative amendments aiming to simplify and accelerate public procurement procedures; and further legislative changes strengthening the fight against money laundering and corruption.

On digital transition, Slovakia has set up an RRF-funded state support scheme for developing and applying top digital technologies in companies, research institutes and public administration. Another achievement in this area is the implementation of a pilot training in digital skills for 1 423 seniors and disadvantaged people (above 65 years of age, most of them women). In addition, each of the participants received a tablet with a voucher for internet access. Several legislative decisions have been taken to fulfil the milestones linked to the modernisation and improvement of healthcare system accessibility, including on: optimisation of the hospital network and setting out the quality indicators and requirements for technical and personnel capacities for medical services; adoption of the investment plan and selection criteria for the projects in the healthcare sector; new legislation setting out rules and requirements for the primary care networks; and entry into force of the Act on the supervision of social care.

In addition, as part of the objectives to be achieved under the second instalment, Slovakia selected and approved projects to be financed under the RRF in the regions of Muránska Planina (14 projects) and Polonina (13 projects). The projects include support for environmental education programmes,

museums, eco-tourism, revitalisation of Coburg Park in Pohorelá Maša, and reconstruction of castle Muráň.

On 13 December 2023, the European Commission disbursed to Slovakia €80.5 million of pre-financing for the implementation of the objectives of the REPowerEU chapter.

On 18 December 2023, the Commission paid the third instalment to Slovakia (request of 25 September 2023). The assessment of the request was based on the modified [operational arrangements](#). Overall, the third instalment amounts to €662.4 million (net of pre-financing), covering 21 milestones and six targets. According to the Commission's [assessment](#), the milestones achieved were related to reforms supporting production of renewable energy, intermodal transport, land planning, pre-primary education, development of universities, as well as design and approval of the national research, development and innovation strategy, the national digital skills strategy, and the action plan for the digital transformation of Slovakia for the years 2023 to 2026. For instance, Slovakia adopted legal acts on energy and regulation in network industries with a view to facilitating new activities on the electricity market and improving possibility for connecting new renewable sources to the grid; on 1 May 2023, the Minister of Environment adopted an implementation plan for the green renovation of single-family houses; in 2022 and 2023, Slovakia launched four calls for applications as part of a support scheme for the green renovation of family houses; the government adopted several legislative acts that should promote and speed up development of alternative, green mobility, and adopted a State aid scheme for the decarbonisation of industry.

In the area of education, Slovakia made progress in the implementation of compulsory pre-primary education for children aged 5 and a legal entitlement to a place in education for children aged 3, as well as in the introduction of upgraded qualification requirements on teachers. Linked to this was the achievement of a target on an increase in the enrolment rate aged 5 in compulsory education from 88 % to 95 % by September 2022. Furthermore, 932 schools received financial support to organise tuition programmes designed to reduce the impact of the pandemic on children's education, and 90 % of Slovak universities applied for a verification of compliance of their internal quality systems and study programmes with new accreditation standards.

The third payment covered the purchase of 700 new electric and hybrid vehicles for the police, and the creation of a network of five digital innovation hubs. Table 4 provides an overview of the RRF payments that Slovakia has received so far.

Table 4 – Slovakia's NRRP: Payments as of February 2024

Grants or loans	Payment	Date	Net resources (€ million)	Share of total
Grants	Pre-financing*	13.10.2021	822.7	12.8 %
	First instalment	29.07.2022	398.7	6.2 %
	Second instalment	22.3.2023	708.8	11.1 %
	Third instalment	18.12.2023	662.4	10.3%
	REPowerEU pre-financing	13.12.2023	80.5	1.3 %
	Total grants paid so far		2 673.1	41.7 %

Source: EPRS, based on European Commission data ([RRF Scoreboard](#)). * The calculated pre-financing share in this table differ from what the RRF Regulation prescribes owing to the increased overall size of the plan.