

27 June 2022

Positive preliminary assessment of the satisfactory fulfilment of milestones related to the first payment request submitted by Slovakia on 29 April 2022, transmitted to the Economic and Financial Committee by the European Commission.

Executive summary

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 29 April 2021, Slovakia submitted a request for payment for the first instalment of the non-repayable support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, Slovakia provided due justification of the satisfactory fulfilment of the 14 milestones of the first instalment of the non-repayable support, as set out in Section 2(1)(1.1) of the Council Implementing Decision (CID) of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Slovakia¹.

Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones. Based on the information provided by Slovakia, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all 14 milestones.

The milestones positively assessed as part of this payment request demonstrate significant steps in the implementation of Slovakia's Recovery and Resilience Plan (RRP). This includes, among others, the entry into force of reforms of the management system of higher education institutions and of the organisation and funding of the Slovak Academy of Sciences. To increase the research and educational capacity of higher education institutions, a roadmap for integrating two universities has been approved by the Ministry of Education, Science, Research and Sport, and the government has adopted a strategy to support the internationalisation of universities. Several justice reforms constitute significant steps towards improving the effectiveness of the justice system, including a reorganisation of the judicial court map that allows for improved specialisation of judges, as well as legislative changes to improve integrity and independence of the judiciary. In addition, organisational changes in the police force have been made to increase its capacity in the detection and fight against new forms of crime and corruption. Multi-annual expenditure ceilings have been introduced as a key tool to better pursue counter-cyclical fiscal policy, improve budgetary planning and achieve long-term fiscal sustainability. To further digitalise public administration and improve cybersecurity, the National Concept for Informatisation of Public Administration has been adopted and approved by the Government, setting out four priority axes. The Recovery and Resilience Facility Act has entered into force, strengthening administrative capacity for the implementation of Slovakia's RRP. A Commission audit has confirmed the functionality and operability of Slovakia's repository system for monitoring the implementation of the RRP. The achievement of the milestones also confirms progress made towards the completion of investment projects related to the green transition. In particular, an investment plan for rail infrastructure has been published, including a methodology for drawing up the investment projects and a list of priority projects, as well as a

¹ ST 10156/21; ST 10156/21 COR1; ST 10156/21 ADD 1, not yet published.

timeline for their preparation and implementation. Similarly, a methodology for selecting, preparing and implementing projects for cycling infrastructure has been published. A joint declaration of the Slovak Ministry of Economy and the Slovak electricity transmission system operator has confirmed the relaxation of restrictions on technical capacities for electricity transmission within the Slovak electricity system and an increase of capacity for connecting renewable sources to the grid.

By the transmission of this positive preliminary assessment and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones.

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Non-repayable support

Number: 1.2	Related Measure: C1-r1: Adapting the electricity legal framework	
Name of the Milestone: Release of restrictions on technical capacities for electricity transmission within the Slovak electricity system		
Qualitative Indicator: Joint public declaration by the Ministry of Economy and the Slovak transmission system operator Slovenská elektrizačná prenosová sústava, a.s.		Time: Q2-2021
Context:		
<p>The objective of the reform is to release the technical capacity for electricity transmission within the Slovak domestic electricity system, in particular to enable the connection of new renewable energy sources to the grid. This process shall be facilitated through the increase in net transfer capacity of the electricity interconnection profile between Slovakia and Hungary.</p> <p>The verification mechanism of the milestone requires a joint public declaration by the Slovak Ministry of Economy and the Slovak electricity transmission system operator <i>Slovenská elektrizačná prenosová sústava, a.s.</i> (SEPS) on the lifting of restrictions on technical capacity for electricity transmission within the Slovak electricity system, along with information on the conditions and process for lifting the restrictions on connecting new capacity to the grid and the procedure for connecting newly installed capacity to the electricity system.</p> <p>The increased capacity for connecting new renewable sources to the Slovak grid will be complemented by a reform of the legal framework for the promotion of renewables (Milestone 3, Q4 2022) and the launch of an investment support scheme (scheme launch in Q4 2022; target due by Q4 2026) that will deliver the construction of at least 120 MW in new renewable electricity sources connected to the grid (Target 4, Investment 1, Q2 2026).</p>		
Evidence Provided:		
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided by the Slovak authorities:</p> <ol style="list-style-type: none">1) summary document (“cover note”) duly justifying how the milestone (including all the constitutive elements) has been satisfactorily fulfilled;2) electronic copy of a joint public declaration (“Guidance”) by the Ministry of Economy and the Slovak transmission system operator Slovenská elektrizačná prenosová sústava a.s. (SEPS). This provides information on the relaxation of restrictions on the connection of new electricity equipment for the production of electricity into the electricity system of the Slovak Republic and the increase in installed capacity of existing electricity generation installations connected to the electricity system of the Slovak Republic, as published on the website of SEPS, taking effect on 5 April 2021. The Guidance was also co-signed by three		

electricity system distribution operators (Zapadoslovenska distribucna a.s., Stredoslovenska distribucna a.s. and Vychodoslovenska distribucna a.s.). The joint declaration also includes **“Annex 1 to the Guidance”**, as published on the website of SEPS, taking effect as from 5 April 2021;

- 3) **confirmation of the increase in net transfer capacity** (document from 15 December 2021) on transmission interconnections with the Republic of Hungary, by the Slovak electricity transmission system operator *Slovenská elektrizačná prenosová sústava a.s. (SEPS)*.

Analysis:

As set out in the CID, the joint declaration (“Guidance”) by the Slovak Ministry of Economy and the Slovak electricity transmission system operator Slovenská elektrizačná prenosová sústava a.s. (SEPS) confirmed the **lifting of restrictions on technical capacity for electricity transmission within the Slovak electricity system and an increase of capacity for connecting renewable sources to the grid** (Article 2.3 of the Guidance). In April 2021, as a result of the reform, the available **“free installed grid capacity”** was set to a total of 1 837 MW (Article 2.3.1 of the Guidance), the available **flexible installed capacity** (i.e. i.e., *intermittent* renewable energy sources (solar and wind)) accounts for additional 407 MW, on top of the 534 MW available originally (Article 2.3.2 of the Guidance). As result of this reform, the maximum flexible installed capacity for intermittent renewables has therefore increased from 534 MW, originally capped for 11 years, to 941 MW. Ending the moratorium for connecting new renewables to the grid is an important step towards greening the Slovak energy mix and increasing the uptake of renewable energy sources. The Guidance also provides technical information on the conditions of connecting newly installed and increased current capacity to the grid (Article IV).

As mentioned in the joint declaration by the Slovak Ministry of Economy and the Slovak electricity transmission operator SEPS (article 1.3 of the Guidance), **the increase in the transmission capacity between Slovakia and Hungary (achieved on 5 April 2021) has been enabled by the entry into operation of new cross border lines between the two countries.** These transmission lines have the swatatus of a European Project of Common Interest (PCI) under the category “Priority Corridor North-South Electricity Interconnections in Central Eastern and South Europe” (cover note, page 2). As mentioned in the information on the increase in net transfer capacity (page 1), the net transmission capacity increase for the operation of all cross-border lines in the Slovakia»Hungary direction ranges from 2 000 MW to 2 300 MW and in the Hungary»Slovakia direction from 1 500MW to 1 700 MW. This increase in the net transfer capacity contributes to higher flexibility of the Slovak transmission system, which has been assessed by the network operator as a necessary network safety condition for lifting the restriction on the connection of renewable power capacities to the grid.

The Guidance (on the lifting of restrictions on the connection of new electricity equipment for the production of electricity into the electricity system of the Slovak Republic and the increase in installed capacity of existing electricity generation installations connected to the electricity system of the Slovak Republic) has entered into force, upon publication on the SEPS website, **on 5 April 2021** (Article VII of the guidance), **in line with the timeline set out in the CID (Q2 2021).**

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 3.1	Related Measure: C3-r1: Preparation of investment projects in transport (Milestone 3.1)
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Name of the Milestone: Investment plan for railway infrastructure projects

Qualitative Indicator: Publication of the implementation plan
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Time: Q2 2021

Context:

The objective of the reform is to increase the efficiency of the process for the construction of railway infrastructure, in particular by providing a framework that allows to prioritise railway infrastructure projects with higher value for money, and to accelerate the average timeline for project preparation.

This milestone entails the preparation and publication by the Ministry of Transport and Construction in cooperation with the Ministry of Finance, of an investment plan for railway projects, containing the methodology, priorities and timetable for the construction of the railway infrastructure. It is one of three milestones linked to the measure; the other two concern the methodology for cycling projects (3.2, by Q4-2021, see below) and legislative amendments to simplify and streamline requirements for transport infrastructure parameters (by Q1-2023). Based on this measure, three targets concerning investment to develop low-carbon transport infrastructure shall be completed by Q2-2026.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- 1) **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- 2) **copy of the priorities for rail infrastructure renewal and development:** a strategy paper that prioritises rail infrastructure projects on the basis of data and a methodological approach;
- 3) **copy of the investment plan with the timeline for preparation and construction of railway infrastructure projects:** a strategy paper based on the priorities identified in the document above, which proposes the preparation and implementation of railway projects over time (until 2027) taking into account budgetary considerations.

Analysis:

1) Publication of the investment plan for railway infrastructure projects, which contains methodology, priorities and timetable for railway construction.

The two documents, 'priorities for rail infrastructure' and 'timeline for preparation of projects' have been published on the website of the Ministry of Transport and Construction of the Slovak Republic on 1 March 2022. The documents provided by the Slovak government meet the formal requirements related to the consultation and adoption process.

The first document, identifying priorities for rail infrastructure development, contains the methodology for drawing up the investment projects (chapter 2 of the document) and provides a list of priority projects (in a separate Annex). The second document, 'investment plan', contains the timeline for the preparation and construction of railway infrastructure projects, based on the priorities and methodology identified in the first document.

2) The investment plan facilitates prioritising projects according to their value for money.

The investment plan proposes a methodology for the selection of prioritised projects, which takes into account the following aspects with regards to railway routes:

- the number of passengers;
- volume of the goods;
- costs of reconstruction.

According to their ratio defined in a specific algorithm, a so-called 'Line Potential Index' has been determined (on page 8 of the document on priorities of railway infrastructure development).

Furthermore, the methodology takes into account the need to assess potential alternatives and sets out the obligation for feasibility studies for assessing the scope of possible interventions (page 8-9 of the document on priorities of railway infrastructure development).

The list of prioritised projects has been established taking the above methodology duly into account and reflects (i) the strategic potential of the route, (ii) estimated benefits, (iii) estimated costs and (iv) availability of analysis.

As a preliminary assessment of the methodology for prioritisation of the projects, the solutions outlined in the plan have indeed an effect of prioritising projects according to their value for money, meeting the CID requirement.

3) The investment plan ensures the long-term stability for the preparation and implementation of railway infrastructure projects.

The investment plan, in the document related to the timeline for the preparation of projects until 2027, differentiates between various categories of investments and specifies the allocated budget. It therefore provides the stakeholders with predictability and transparency of the investments planned in this domain for the next seven years. In combination with the methodology for the prioritisation of projects, described above, the investment plan ensures the long-term stability for preparation and implementation of railway infrastructure projects. Furthermore, in accordance with the information provided in the Investment plan for railway projects, priority projects (especially the new) will be subject to the compliance with the applicable environmental legislation (namely the EIA, Habitats and Birds and Water FD).

In consideration of the above, it is the preliminary assessment of the Commission that the published timeline ensures the stability for the preparation and implementation of railway infrastructure projects until 2027.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 3.2	Related Measure: C3-r1: Preparation of investment projects in transport (Milestone 3.2)	
Name of the Milestone: Methodology for selecting, preparing and implementing projects for cycling		
Qualitative Indicator: Publication of the methodology		Time: Q4 2021
<p>Context:</p> <p>The objective of the reform is to improve the management of transport investment projects and increase their economic benefits.</p> <p>This milestone requires the establishment of a methodology for identifying projects with the highest value for money possible and contributes to the objective of a passenger modal shift from individual road transport to cycling. At present, the assessment and approval of cycling infrastructure projects is essentially based on formal and predominantly technical evaluation aspects, without quantifying the efficiency and assessing the societal benefits of the investments. The objective of the new methodology is therefore to define a coherent and consistent approach to assess the effectiveness and prioritisation of cycling infrastructure objectives in Slovakia, primarily for the purposes of the Recovery and Resilience Plan, but also transferable to other public funding schemes.</p> <p>The basis for the evaluation established by the new methodology is a cost-benefit analysis, which allows for a more efficient allocation of resources.</p> <p>This is one of three milestones of the measure; the other two concern the investment plan for railway infrastructure projects (milestone 3.1, by Q2-2021, see above) and legislative amendments to simplify and streamline requirements for transport infrastructure parameters (milestone 3.3, by</p>		

Q1-2023). Based on this measure, 3 targets concerning investment to develop low-carbon transport infrastructure shall be completed by Q2-2026.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- 1) **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- 2) **copy of the published Methodology for the assessment, evaluation and prioritisation of cycling infrastructure**: The [methodology \(version 2.0\)](#) was published on 8 February 2022;
- 3) **cost-benefit analysis methodology for cycling projects**: The document demonstrates that the methodology applies a basic assessment score based on the Societal Benefit-to-Cost Ratio (BCR) that is similar to other infrastructure projects.

Analysis

1) Publication of the Methodology for selecting, preparing and implementing projects for cycling and the supporting Cost-benefit Analysis

The two documents '[Methodology](#)' and '[Cost-benefit analysis](#)' were published on the website of the Ministry of Transport and Construction of the Slovak Republic.

According to the final sentence of the document on page 12, the Methodology officially entered into force on 8 February 2022. The Methodology, the Cost-benefit analysis, and the summary document provided by the Slovak government show that both documents meet the formal requirements related to the consultation and adoption process.

The methodology set out in the relevant document takes into account the potential of new infrastructure and value for money of specific projects, in particular by taking into account available data on demographic and mobility trends (p.3 of the Methodology). These data will be derived for instance from the national census and other publicly available statistics. The assessment of performance and value for money will allow for a more efficient allocation of financial resources to projects and set clearer and more transparent rules for the assessment of cycling projects. The methodology determines how to identify projects with the highest possible contribution to achieving the objective of transferring passengers from individual road transport to cycling. It sets up a system for selecting cycling infrastructure development projects according to transparent criteria and supported by the results of the cost-benefit analysis.

The second document, the Cost-benefit analysis, attests that the methodology respects the cost-benefit principle using basic assessment scores that are based on the societal benefit-to-cost ratio (BCR) applied in other infrastructure projects of a similar nature (details under point 3)).

2) The methodology prioritising projects according to their value for money

The methodology takes into account the potential of new infrastructure and value for money of specific projects, in particular by taking into account available data on transport modal behaviour of the population and, where appropriate, transport models. It takes into account technical, security and budgetary criteria. The assessment of performance and value for money will allow for a more efficient allocation of financial resources to projects that have the potential to contribute more significantly to increasing the share of cycling in the overall distribution of transport modes.

According to the methodology, the RRP will support cycling infrastructure projects in urban and peri-urban areas aimed at commuting and school mobility, or at connecting to railway stations and significant public passenger transport stops. The basic dividing line between the RRP and other funding programmes supporting the construction of cycling infrastructure is the territorial principle. The RRP will support projects on the territory of cities of more than 20 000 inhabitants, extending to the surrounding municipalities situated up to approximately 5 km distance, or to the nearest municipality.

3) Extensive qualitative criteria

On top of the thorough budgetary and feasibility criteria as listed in the Methodology and the Cost-Benefit analysis, the main document enumerates extensive and balanced qualitative conditions that the project proposal needs to comply with before any funding is approved. It refers to parameters such as safety, interconnectedness with other transport links and other important considerations that provide for a more human dimension to the selection of projects instead of only complying with financial or technical criteria. In detail, the following qualitative criteria will be considered during future tenders:

- Fulfilment of the programme result indicator — Length of the cycling lane built (km)
- Direct connection of the cycling route to premises with more than 100 employees, to separate school premises, to a station or major public passenger transport stops
- A cycling strategy at local or regional level and (in)consistency of the project with the strategy
- Bottlenecks — share (%) of length of project sections meeting only minimum technical criteria
- Security — share (%) of fully segregated sections
- Parking stations for bicycles next to schools, work premises with more than 100 employees, other travel destinations (businesses, services, offices and cultural facilities), railway stations and important public transportation stations
- Mobility — Reduction of parking spots and car lanes in favour of cycling paths.

4) Publication date

The methodology entered into force on 8 February 2022.

5) The cost-benefit analysis

The results of the cost-benefit analysis (CBA) or, more precisely, the benefit to cost (B/C) indicator will be used as a basis for project evaluation and prioritisation. The CBA is an analytical tool used to evaluate investment projects in order to assess their economic efficiency and the eligibility of public

support. The objective of the CBA is thus to allow for a more efficient allocation of resources while demonstrating the benefits of the project for society. This Cost-Benefit analysis was designed according to the Methodological Guide for the development of cost-benefit analyses, Version 3.0, from May 2021, drawn up by the Ministry of Transport and Construction of the Slovak Republic under the Cohesion Funds' Integrated Infrastructure Operational Programme 2014-2020. The Cost-benefit analysis was also inspired by a similar analysis from Denmark.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 8.6	Related Measure: C8-r4: Reform of the governance of universities	
Name of the Milestone: The reform of the management system of higher education institutions		
Qualitative Indicator: Entry into force of the amendment to Act No 131/2002 on higher education		Time: Q4 2021
<p>Context:</p> <p>The objective of the reform, as well as of the milestone itself, is to strengthen the governance framework of higher education institutions (HEI) by shifting some managerial and financial duties from the academic senate to the board of directors (also translated as administrative board or board of trustees) and the rector, while preserving the schools’ autonomy and freedom of science. In Slovakia, academic bodies such as senates and scientific/art councils used to play a major role in managerial decisions. In addition to electing and having the power to dismiss rectors and deans, academic senates often approved the nomination of their key staff members such as vice-rectors and vice-deans. This had an impact on the ability of university leaders to constitute effective management teams. In addition, the actions of rectors and managerial board were limited in scope and required their accountability to academic senates. This limited the ability of rectors and the managerial board to take strategic decisions.</p> <p>The reform allows higher education institutions (HEI) to freely decide on their internal structure which provides for more flexibility in adapting it to their particular needs. Finally, the reform removes the existing restrictions related to the educational background of candidates applying for lecturer and professor positions, thus improving equal opportunities for candidates regardless of their professional background or level and/or country of origin, while maintaining quality standards.</p>		
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none">1) summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;2) copy of Law 137/2022 amending Law 131/2002 on Higher Education Institutions was published in the Official Journal of Laws, year 2022. <p>The authorities also provided:</p>		

3) **consolidated version** of Act 131/2022 Coll.

Analysis:

The Act was published in the Official Journal of Laws, year 2022, and entered into force on 25 April 2022, as indicated in Article VII of the law 137/2022. The law is available at the following link: <https://www.slov-lex.sk/pravne-predpisy/SK/ZZ/2022/137/20220425>.

In line with the requirements of the CID, the act:

1) Introduces the new rules in the process of recruitment for the post of rector. The election process will be professionalised and institutionalised. The rector is elected by an electoral assembly consisting of an academic senate and a board of directors, including a public hearing of the candidates, where their management experience, their relationship to the mission of the HEI and other elements are examined (paragraph 10(6)). The law does not set out the formal requirement for candidates to have academic experience, but instead each entity is obliged to define their own election rules. The election of the rector shall be published on the Ministry's website and via other channels at least 270 days before the expiry of the term of office (paragraph 10(5), (6) and (9)). To avoid conflict of interest or political affiliations, the candidate for the rector position cannot be a member of the National Council of the Slovak Republic, nor a member of the academic senate or a member of the board of directors of the HEI concerned (paragraph 10(4)). The number of the rectors' terms of office is limited to a maximum of two consecutive terms (paragraph 10 (7)). These rules apply by analogy to the appointment of the dean (paragraph 22 (2-9), with exception of the rule regarding the requirement for public hearings.

2) Strengthens the competences of the rectors by giving them the power to:

- appoint vice-rectors (paragraph 10 (10));
- appoint two out of seven members of the selection committee for the dean position (paragraph 22(4));
- conclude a performance contract with the dean, which contains measurable indicators (paragraph 22(5));
- propose the draft budget and the methodology for the breakdown of the subsidy from the state budget for approval of the board of directors, prior to the approval by the academic senate. The management of high value assets should still receive the consent of the academic senate (paragraph 9 (1) I);
- appoint two out of five members of the selection committee for lecturer or professor positions (paragraph 77(7)).

Furthermore, the position of the rector will be less dependent on the senate, as the latter cannot dismiss the rector alone, and the consent of the administrative board is required (paragraph 10.9).

3) Strengthens the competences of the board of directors by granting it the power to:

- take part in managing the finances of HEI by approving the budget of HEI, the methodology for the breakdown of the state subsidy, and the breakdown of the subsidy for parts of the

HEI (paragraph 41(1), (2)) as well as by approving the rector's decisions on the management of assets (paragraph 41(3));

- approve the long-term strategy of public HEI; the merger, dissolution, division, change of name or change of the registered office or parts thereof (paragraph 41(4)) on the basis of the rector's proposal;
- agree on the principles for the election of the rector (paragraph 41 (5)). The board will take part in the election process of the rector: the selection assembly (which consists of the academic senate and the board of directors) elects the rector by an absolute majority of all members of the selection assembly (paragraph 10(2)).

The provisions of paragraph 40 of the Act also ensures that the requirement included in the further specification column of the Operational Arrangements is met concerning the limitation of the presence of state representatives in the board of directors to not control this body as the government shall not have the majority of votes, and thus not affect the academic freedom.

- 4) Changes the composition of the board of directors** in a way that the central government will not be able to take control of the board, leaving academic freedom intact. The board should have at least five members. The figure can be higher but always odd, to avoid stalemate in voting. The senate and the government nominate members in equal numbers from the list of candidates proposed by stakeholders. The candidate should have relevant knowledge and experience (paragraph 40 (2) and (3)). The odd member of the board should be elected and dismissed by secret ballot by the other members of the board. If the members of the board of directors do not elect the odd member within six months of the member's vacancy, the odd member shall be appointed and dismissed by the Minister of Education on a proposal from the Slovak Academy of Sciences (paragraph 40(2)). Each member of the board should be impartial and not affiliated with the government or ministry, nor be the rector or dean, head of faculty or member of the academic community of the public higher education institution concerned, and not have membership of the board of directors of another higher education institution (paragraph 40 (4)). The term for the board member is fixed for a period of 6 years (paragraph 40(6)), and dismissal can take place only under certain justified conditions (paragraph 40(8) and (9)).
- 5) Removes the condition that applicants for the positions of professor and lecturer must have a scientific/pedagogical degree** (paragraph 77(1)) which increases equal opportunities for foreign researchers not having the *habilitation* or professionals that do not have a degree to apply for these positions. However, in order to maintain quality standards, the Ministry of Education, Science, Research and Sports will propose the minimum criteria to be met pending the approval of the Slovak Higher Education Accreditation Agency (paragraph 77(2)).
- 6) Simplifies the internal organisation of academia.** The detailed provisions concerning the faculties are currently subjected to the internal rules of the HEI concerned. The amendment has deleted paragraphs 23-33 from the original version of the Act, which defined the elements of the internal organisation of faculties (article I point 53 of the adopted Act). Although not specifically mentioned in the milestone, the institutional framework at the central level of a HEI (the rector, senate, board of directors, questor, and disciplinary board) is still defined in the legislation.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 8.7	Related Measure: C8-r5: Concentration of excellent educational and research capacities.	
Name of the Milestone: Start bringing together of universities into larger units		
Qualitative Indicator: An approved by the Ministry of Education, Science, Research and Sport of the Slovak Republic (MŠVVaŠ SR) bundling roadmap for at least 2 university units.		Time: Q4 2021
<p>Context:</p> <p>The objective of the reform is to promote the bringing together of universities into larger units to increase synergies in excellent educational and research capacity and make the Slovak science sector more competitive and more collaborative with business.</p> <p>The milestone sets out the obligation to provide an approved roadmap for bundling at least two university units. This constitutes a first step in the process of connecting two units of higher education, which shall be completed by 30 June 2026.</p>		
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none">1) summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;2) copy of the roadmap for the integration of two university units in Trnava, as approved by the state secretary of the Ministry of Education, Science, Research and Sport of the Slovak Republic (MŠVVaŠ SR);3) link to the ministerial website where the roadmap has been published; <p>The authorities also provided:</p> <ol style="list-style-type: none">4) the annexes to the roadmap, containing a list of planned infrastructure projects and a list of other integration projects supported.		
<p>Analysis:</p> <p>The roadmap was approved by the state secretary of the Ministry of Education, Science, Research and Sports of the Slovak Republic (MŠVVaŠ SR) on 26 April 2022 and published on the ministerial</p>		

website on the same date.

In line with the requirements of the CID:

- 1) **The Ministry of Education, Science, Research and Sports of the Slovak Republic (MŠVVaŠ SR) has approved one roadmap** that concerns the integration of two university units: the Trnava University in Trnava and the University of St. Cyril and Methodius in Trnava. The approval of the roadmap constitutes the start of bringing universities together in the larger units. Considering that the Trnava University and University of St. Cyril and Methodius have an above average number of students compared to all higher education institutions in Slovakia², the two universities constitute large units of higher education institutions, the linkage of which results in the creation of the third largest university unit in Slovakia;
- 2) **The roadmap presents the timetable and the various steps leading to the linkage of the aforementioned universities** by 30 June 2026;
- 3) **The roadmap outlines that a performance contract will be used to monitor the progress towards the linkage of universities.** The performance contract will be used to align the budgetary subsidy for the higher education institutions (HEI) with the agreed outcomes;
- 4) **The annex to the roadmap – the investment plan – states how the connection process will be supported by the RRF** (points no 1-4, 6, 9, 10, 13 of the annex) and outlines the plans to build new infrastructure capacity (points no 3-5, 10-13). The last column in the annex presents the purpose of the planned investments projects. Although the annex does not provide by far additional information on how the planned investments would remove duplications and unify the sites of the universities concerned as indicated in the CID annex, this does not affect the fulfilment of this specific milestone, since the resources from Recovery and Resilience Facility will be distributed under a separate investment in this component, for which the separate call for projects will be announced.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 9.3	Related Measure: C09-r2: Reform of the organisation and funding of non-business research institutions, in particular the Slovak Academy of Sciences		
Name of the Milestone: Reform of the Slovak Academy of Science (SAS)			
Qualitative Indicator: Entry into force of the amendment to Act No 133/2002 on Slovak Academy of Sciences and the amendment to Act No 243/2017 on a public research institution			Time: Q4/2021
Context:			

² Aggregated data presented for the academic year 2019/2020 available at <https://www.trend.sk/trend-archiv/univerzity-vysoke-skoly-slovensku-2>.

The reform aims at completing the transformation of the Slovak Academy of Science (SAS) into a public research organisation, in order to enable multi-source funding and cooperation with the private sector. The reform allows the Slovak Academy of Science to engage in commercial relations regarding research, development and innovation (RDI) with full protection of the intellectual property rights and financial gains that can be owned by the Academy.

The reform will enhance the cooperation of the Slovak Academy of Science with businesses to pursue joint projects and promote research and technology transfer. This milestone concerns the amendments to the relevant national legislation that establishes the principles for the transformation of Slovak Academy of Science into a public institution.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- 1) **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- 2) **copy of the publication in the Official Journal of Laws** and references to the relevant provisions indicating the entry into force of:
 - Act No 133/2002 on the Slovak Academy of Sciences, version of the amendment in force since 1 January 2022;
 - Act No 133/2002 on the Slovak Academy of Sciences, version of the amendment in force from 5 October 2021 until 31 December 2021;
 - Act No 347/2021 amending and supplementing Act No. 133/2002 on the Slovak Academy of Sciences and amending Act 569/2007 on geological works;
 - Act No 243/2017 on a public research institution as amended by the Act No 346/2021 of 21 September 2021;
 - Act No 246/2021 amending the Act No 243/2017 in force since 1 November 2021.

The authorities also provided:

- 3) **Explanatory Memorandums** of the above-mentioned Acts.

Analysis:

As set out in the CID, the transformation of the Slovak Academy of Science into a public research institution was enabled by the adoption of the amendments to the two main legislative acts (Act 133/2002 and Act 243/2017) published in the Official Journal of Laws, year 2021, on 5 October 2021:

- Act 133/2002 on Slovak Academy of Sciences amended by Act No 347/2021 of 21 September 2021 entered into force on the date of its promulgation (5 October 2021) with the exception of Article I, points 1-18, 20 and 21 and Article II, which entered into force on 1 January 2022, as indicated in Article III of this Act; Act No 347/2021 amending and supplementing Act No

133/2002 on the Slovak Academy of Sciences amending Act 569/2007 on geological works, which entered into force on 1 January 2022, as indicated in Art. III of the Act;

- Act 243/2017 on a public research institution as amended by the Act No 346/2021 of 21 September 2021 entered into force on 1 November 2021, as indicated in Art. VIII of the Act.

The following requirements were met:

The Act 133/2002 defines the following principles for the transformation process of the Slovak Academy of Sciences (enshrined in paragraphs 21(a) and 21(aa)):

- the change in legal status of the Slovak Academy of Sciences (SAS) from a state budget organisation or a state co-funded organisation into a public research institution has entered in effect as of 1 January 2022 without the need for dismantling and re-establishing the organisational structures and bodies of the SAS ;
- the transfer of state property of the SAS to the ownership of the newly created public research organisation, including the transfer of the employment rights and obligations of the relevant organisations;
- the maintenance of organisational structures and bodies of the SAS;
- the continuation of office holders and members of the Academy's bodies as well as the maintenance of their terms of office and the composition of collective bodies.

In line with the Act 133/2002, the transformation of the Slovak Academy of Sciences was fully completed by the registration of 47 institutes of the Academy in the registry of public research organisations administered by the Ministry of Education, Science, Research and Sports of the Slovak Republic on 1 January 2022 (<https://regvvi.cvtisr.sk/>).

The new legal status of the Slovak Academy of Sciences creates opportunities to engage in commercial relations related to research and innovation by allowing it to carry out business activities and own relevant assets (the Act 234/2017, paragraph 2(b). At the same time, the Academy has been given more flexibility in setting the framework for the protection of intellectual property rights (Act 243/2017, paragraph 31) and possibilities to generate profits from income from the main activity of the SAS and income from business activities (the Act 234/2017, paragraph 24 (5).

As set out in the Council Implementing Decision, **Act 243/2017 establishes the following principles for cooperation with the private sector and multi-source funding:**

- that the main activity of a public research institution is carrying out research, the cooperation in science and technology with universities, with other legal entities carrying out research and development, and with entrepreneurs (enshrined in paragraph 1 (4)(a, e));
- that a public research institution is entitled to carry out business activity, and development and innovation as an entrepreneurial activity (enshrined in paragraph 2 (4)(b, d));
- that a public research institution is also authorised to carry out research and innovation projects (governed by the Act 172/2005) as one of the possible sources of funding (enshrined in paragraph 2(1)(e));
- that the revenue of the public research authority shall be, inter alia: income from the main activity, funding from the State budget, subsidies under specific regulations, dedicated forms of research and innovation support, income from business activity, EU funds, income from

<p>the assets of a public research institution, revenue from the sale of assets, gifts, inheritance and other revenue (enshrined in paragraph 24 (5));</p> <ul style="list-style-type: none"> • Paragraphs 24-36 detail the management and disposal of assets of the public research organisation. <p>As set out in the CID, Act 243/2017 defines the principles for entering into commercial relations related to RDI with full protection of intellectual property rights and financial gains:</p> <ul style="list-style-type: none"> • that the use of the profit of the public research organisation is decided by the Management Board after approval of the accounts by the Board of Supervisors (enshrined in paragraph 28(2)); • that the public research institution maintains a reserve fund; provisions on the use of the reserve fund and the use of the balance (i.e. funds from profits that have not been used for the constitution of the reserve fund) (enshrined in paragraph 28(2)); • the protection of intellectual property of the public research organisation is enshrined in the paragraphs 30 and 35(3)(b) and (f), paragraph 44(10) and (11) as well as in paragraph 21 aa, paragraph 11, 13 and 14 of the Act No 133/2002.
Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 10.8	Related Measure: C10-i4: Promoting internationalisation in the academic environment	
Name of the Milestone: Strategy for internationalisation of universities		
Qualitative Indicator: Adoption of the strategy by the Government		Time: Q4 2021
Context: The objective of the measure is to support the internationalisation of universities and research institutions in Slovakia through: <div><div>1) adoption of a strategy for the internationalisation of universities;</div><div>2) support to projects for the promotion of the internationalisation of universities and research institutions;</div><div>3) support to student mobility programmes;</div><div>4) promotion of Slovak higher education and science abroad and development of international networking by Slovak universities.</div></div> This milestone consists of the adoption of a strategy for the internationalisation of higher education institutions (HEI) (point 1) above), which sets the basis for the implementation of subsequent milestones and targets (points 2) to 4) above) to be implemented by Q1 2026.		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:		

- 1) **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- 2) **copy of the Government Resolution** adopted on 8 December 2021 approving the Strategy for the Internationalisation of Higher Education 2030;
- 3) **text of the Strategy** for the Internationalisation of Higher Education 2030, attached to the Government Resolution.

Analysis:

The objectives of the Strategy for the internationalisation of Higher Education for 2030 are to enhance the quality of higher education through internationalisation, increase the availability of higher education and international experience during higher education studies, and to modernise higher education in the context of internationalisation.

It includes provisions to (i) support the preparation of joint study programmes, (ii) attract foreign students and academics, and (iii) introduce systemic institutional changes in Slovak higher education institutions. The strategy sets out 16 actions based on the continuation or increase of the funding rate of existing activities, the introduction of new funding schemes, and the improvement of the regulatory framework for the implementation of internationalisation in higher education.

As regards the priority '**support for the preparation of joint study programmes**' (i), the actions proposed are meant for the continuous internationalisation of the higher education institutions, such as:

- supporting the preparation, creation and innovation of joint study programmes with universities abroad in foreign languages (Strategy measures: 4.2.1 on p.19, 4.2.4 on p. 21, 4.2.9 on p. 25, 4.2.4 on p. 21, 4.2.10 on p. 26, 4.2.13 on p. 27-28);
- increasing the share of available teaching and staffing (Measure 4.2.9) and promoting virtual exchange and mobility (Measure 4.2.4), thus promoting the international dimension of studies and inter-school cooperation;
- promoting the involvement of public higher education institutions in the European Universities Initiative (Measure 4.2.10).

As regards the priority '**attracting foreign students and academic staff**' (ii), actions are identified to make Slovak higher education and science more attractive and to increase the share of foreign students in complete studies, including through:

- intensifying the support for existing mobility schemes (CEEPUS, National scholarship scheme, scholarships provided on the basis of bilateral contracts, government fellowships) (Measure 4.2.3 and 4.15 on p. 28-29);
- the exemption or reduction of the obligation to pay tuition fees in full-time study programmes undertaken exclusively in a language other than the national language (Measure 4.2.7 on p.24);
- facilitating the demonstration of educational attainment for applicants with foreign

<p>qualifications, in particular from non-EU countries (Measure 4.2.8 on p. 24-25);</p> <ul style="list-style-type: none"> • changes to the conditions for the participation of foreign students in the compulsory public health insurance scheme or, more generally, through analysing cross-cutting and supporting aspects related to the arrival and stay of foreign students and university staff from third countries in Slovakia through a broader interdepartmental working group (Measures 4.2.5 on p. 22-23 and 4.2.12 on p. 27). <p>As regards the ‘introduction of systemic institutional changes in Slovak universities’ (iii), the actions envisaged include:</p> <ul style="list-style-type: none"> • the provision of grants for the implementation of internationalisation strategies (Measures 4.2.1 on p. 19, 4.2.13 on p.27-28); • measures to facilitate the recruitment of lecturers and professors from abroad (Measure 4.2.9 on p. 25); • the introduction of a mobility window in the curricula of new and existing study programmes (4.2.6 on p. 23).
Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 15.1	Related Measure: C15-r1: Reorganising the judicial map
Name of the Milestone: Definition of a new judicial map	
Qualitative Indicator: Entry into force of the Residences and Districts Act	Time: Q4 2021
<p>Context:</p> <p>The set-up of Slovakia’s judicial system undermines its effectiveness, in particular as judges are unable to specialise to a sufficient degree and the system as such is not streamlined. This reform aims to improve the efficiency and quality of the judiciary by reorganising and streamlining the system of courts, thereby allowing for a greater specialisation of judges in criminal, civil, commercial, or family justice. The new, reorganised network comprises first instance administrative and ordinary (district) courts (including municipal courts), appeal (regional) courts, and a Supreme Administrative Court.</p> <p>This milestone is the first of the two milestones of this measure. It covers the entry into force of legislation defining the new system of courts. The subsequent milestone (SK-C[C15]-R[R1]-M[C15.2]), planned for Q1-2023, sets out the establishment and operationalisation of the new, streamlined court system, including the specialisation of judges.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p>	

- 1) **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- 2) **copy of Act 150/2022 amending certain laws in relation to new seats and districts of courts** (comprising the acts covering district courts, regional courts, and Košice and Bratislava municipal courts, as mentioned in the further specification of the Operational Arrangements);
- 3) **copy of Act 151/2022 on the establishment of administrative courts;**
- 4) **overview of the new court network of courts.**

The authorities also provided:

- 5) **copy of Constitutional Act 422/2020** establishing the Supreme Administrative Court;
- 6) **explanatory document** on subject matter jurisdiction.

Analysis:

On 27 April 2022, Slovakia adopted Act 150/2022 on new seats and districts of courts and Act 151/2022 on the establishment of administrative courts, published in the Official Journal of Laws, year 2022. These two acts comprise all elements of the five acts mentioned in the further specification of the Operational Arrangements, covering district, regional, and the municipal courts of Košice and Bratislava (Act 150/2022) and administrative courts (Act 151/2022). Moreover, Constitutional Act 422/2020, published in the Official Journal of Laws, year 2022, establishes the Supreme Administrative Court.

Act 150/2022 reduces the number of first instance ordinary (district) courts to 36 (Article VIII(1)-§ 2). This includes the municipal courts of Kosice and Bratislava. By reducing the number of courts, each court disposes of a larger pool of judges, allowing for increased specialisation. Work organisation must respect the specialisation of judges in the main judicial agendas (commercial, family, civil and criminal law; see Article IX(1)§3-5 and Article IX(9)§50). For Bratislava, a special arrangement is chosen, namely that the four municipal courts all cover the same territory, but with each of them dealing with a distinct court agenda (commercial, family, civil and criminal law, respectively), thereby ensuring the achievement of the specialisation objectives (Article VIII, point 3, §18n). The (regional) appeal courts are redefined along the competences of the district courts to which they correspond (Article VIII, point 1, §3, Article II, point 4 and Article III, point 1, §3(5) to (7)). For commercial and family law agendas, the number of (regional) appeal courts is reduced to three; the civil and criminal law agendas are handled by specialised divisions in all eight (regional) appeal courts.

The entry into force of this act defining the new system of courts in accordance with the Council Implementing Decision is 1 June 2022, while most provisions regarding district/municipal and regional courts, including the start of their operations, enter into force on 1 January 2023 (Article XVI). A second milestone is enshrined for this reform in the CID (SK-C[C15]-R[R1]-M[C15.2]), making it clear that the establishment and operationalisation of the district/municipal and regional courts are expected to take place by Q1/2023. The law includes relevant transitional provisions in order for the courts to adapt work processes according to the new legal specialisations, for changes in the administration, and for changes in the position of judges and other staff of the judicial system by

Q1/2023 and become operational in accordance with the requirements of the second milestone. The Act is designed in such a way as to ensure the smooth transition to the new system of courts and the continuous operation of the courts during that transition, which is to be completed by Q1/2023 as stipulated by the second milestone.

Act 151/2022 establishes three first instance administrative courts (Art. I §1), separating this agenda from the appeal (regional) courts, further promoting the specialisation of judges. The general entry into force, including the establishment of the courts, is 1 June 2022 (Article XIII); decision-making activities will start on 1 January 2023.

Moreover, Constitutional Act 422/2020 establishes the Supreme Administrative Court (Article I, point 24). The general entry into force, including the establishment of the court, is 1 January 2021 (Article II); decision-making activities have started on 1 August 2021. The Supreme Administrative Court, while part of the new court network, is also relevant as part of the measure strengthening the integrity of the justice system. The respective measure and milestone contain further requirements on its competences (see SK-C[C15]-R[R2]-M[C15.5] below).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 15.5	Related Measure: C15-r2: Fighting corruption and strengthening the integrity and independence of the judiciary	
Name of the Milestone: Package of laws to fight corruption and strengthen integrity and independence of the justice system		
Qualitative Indicator: Entry into force of the Judicial Reform Act, the Constitutional Act, the amended Act on the Public Prosecutor’s Office, the amended Criminal Code, and the Disciplinary Rules of the Supreme Administration of the Court of Justice of the Slovak Republic		Time: Q3 2021
Context: <p>This reform entails a package of legislative changes aimed at improving the integrity and independence of the judiciary, and at fighting corruption and money laundering more effectively.</p> <p>This milestone is the only milestone related to this measure and covers the entry into force of the entire package of legislative changes through various acts. It focuses on the strengthening of judicial integrity and independence by changing electoral rules for a number of judicial bodies, adjusting rules on the exercise of the judicial profession, granting the Judicial Council more competences, and establishing the Supreme Administrative Court with a set of specific competences. Moreover, it comprises measures to ensure more effective supervision and enforcement of the anti-money laundering framework, and to detect and prosecute corruption.</p>		
Evidence provided:		

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- 1) **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- 2) **copy of Act 312/2020** on the Management of Frozen Assets, also amending the criminal code (Act 300/2005);
- 3) **copy of Act 423/2020** on Judicial Reform;
- 4) **copy of Constitutional Act 422/2020**;
- 5) **copy of Act 241/2020 amending Act 153/2001** on the Public Prosecutor's Office;
- 6) **copy of Act 432/2021** on the disciplinary rules for the Supreme Administrative Court;
- 7) **copy of Annex concerning judicial safeguards** and guarantees regarding the Judicial Council.

Analysis:

All acts have entered into force as stipulated in the milestone. Act 312/2020 on the Management of Frozen Assets entered into force on 1 January 2021 (Art. XVIII), also amending the criminal code (Act 300/2005), published in the Official Journal of Laws, year 2020. The Judicial Reform Act 423/2020 entered into force on 1 January 2021 (Art. XXX), and was published in the Official Journal of Laws, year 2020. The Constitutional Act 422/2020 entered into force on 1 January 2021 (Art. II), and was published in the Official Journal of Laws, year 2020. The Act on the Public Prosecutor's Office was amended by Act 241/2020, which entered into force on 8 September 2020 (Art. V), and published in the Official Journal of Laws, year 2020. The Disciplinary Rules for the Supreme Administrative Court of the Slovak Republic were adopted on 11 November 2021 and entered into force on 1 December 2021. They were published in the Official Journal of Laws, year 2021.

As set out in the description of the measure, the following additional qualitative requirements were met:

The Supreme Administrative Court has been established by constitutional Act 422/2020 (Article I, point 24). The general entry into force, including the establishment of the court, is 1 January 2021 (Article II); decision-making activities started on 1 August 2021. Under this Act, the Supreme Administrative Court has been invested with the power to act as a disciplinary court for judges, prosecutors, and, if provided for by law, other persons (Article 142(2)(c)). Act 432/2021 further details disciplinary proceedings and specifies rules for judges, prosecutors, bailiffs and notaries (Art. I Part I §1). The Slovak authorities have further explained that the above-mentioned legal professions have been chosen following careful consideration. It was decided to include only those professions considered to be a public authority, which is not the case for administrators. In the case of the latter, the Ministry of Justice remains responsible for possible proceedings, and its decisions are subject to review by administrative courts, including the Supreme Administrative Court in second instance in its capacity of a regular judicial body. The Commission therefore considers that this reform element adequately meets its key objective to strengthen judicial integrity.

The Judicial Council has received more competences in the verification of assets and judicial expertise of judges (Constitutional Act 422/2020, Article 141a(6)(h) and (i)). The verification of assets and judicial expertise is aimed at vetting the capacity and integrity of judges and in particular possible links to organised crime. This is important to ensure the proper performance of duties by judges. The powers of the Judicial Council when verifying the capacity and assets of judges are further regulated in Act 423/2020, Article XIV, points 5, 37 and 38.

Electoral rules for members of the Judicial Council were also changed. In particular, a regional principle was introduced to ensure better representativeness: eight judges are elected by judges of other courts from several electoral districts in such a way that a comparable number of judges' votes are required (Constitutional Act 422/2020, Article 141a(2)(b)). The procedure for the nomination and election of members of the Judicial Councils is further regulated in Act 423/2020 (Article VI and Article XIV, §11a). Regarding this reform element, in line with the requirement that the reform shall be implemented in compliance with Article 19 TEU to ensure effective judicial protection, following justifications provided by the authorities, no violation of Article 19 TEU has been identified.

The election of judges to the Constitutional Court has been improved and made more transparent. To address the challenge of parliamentary passivity, Article 134(2) of Constitutional Act 422/2020 gives Parliament a limit for the election of a new judge of two months after the expiry of the term of office and of six months after termination of the office on other grounds; after this period, the President may appoint judges from among the elected candidates. To reduce the risk of having too many judges selected by a particular political party, a rotational principle has been introduced by setting staggered term limits for judges appointed after 1 January 2021 (Constitutional Act 422/2020, Article 154g(9)-(11)).

Public hearings have been introduced for the election of the Prosecutor General (Attorney General) and the Special Prosecutor (Act 241/2020 amending Act No 350/1996, §125(2)). Constitutional court judges are elected by means of a public vote by the National Council of the Slovak Republic after hearing the persons proposed (Constitutional Act 422/2020, Article 134(2)).

Rules on the exercise of the judicial profession have been amended, including via the introduction of an age limit of 67 years for judges (Constitutional Act 422/2020, Article 146) and of 72 years for constitutional judges (Constitutional Act 422/2020, Article 138(3)).

To ensure effective supervision and enforcement of the anti-money laundering framework, the Office for the Management of Frozen Assets has been set up (Act 312/2020, §10). It has become operational as of 1 August 2021 (§19(2)). The Office's competences allow for more effective detection, seizing and management of assets, making for an overall improved legal framework.

To better detect and prosecute corruption, new criminal offences have been introduced in the criminal code to address the situation where a judge abuses the law (Act No 312/2020 amending Act No 300/2005, §326a of the criminal code) and if civil servants ask for or promise undue advantages (§336). European standards provide that subjecting judges to liability for their judicial decisions, such as is the case at hand, may occur in exceptional cases of malice and gross

negligence, the forms of conduct which may constitute a crime should be defined sufficiently clearly and precisely, and any regime governing the personal liability of judges must provide necessary guarantees to prevent any risk of abuse. To safeguard judicial independence, a judge accused of abusing the law is entitled to request the Judicial Council to express its disagreement on the continuation of the criminal prosecution, which, if granted, is tantamount to the termination of the proceedings (Act 423/2020 Article III pursuant to §326a of the criminal code). In line with the requirement that the reform shall be implemented in compliance with Article 19 TEU to ensure effective judicial protection, following justifications provided by the authorities, no violation of Article 19 TEU has been identified.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 16.14	Related Measure: C16-i4: Strengthening administrative capacity at different levels of government – establishment of a National Implementation and Coordination Authority	
Name of the Milestone: Audit & controls: legal basis		
Qualitative Indicator: Entry into force of the Recovery and Resilience Facility Act		Time: Q4/2021
Context: The objective of this reform is to strengthen administrative capacity both at local and at national level for implementing the reforms and investments of the Slovak recovery and resilience plan. To this end, the Recovery and Resilience Facility Act has been approved by the National Council and entered into force on 31 December 2021. This milestone is the first milestone of this measure, along with milestone C16-15 on the establishment of a repository system. The subsequent milestone C16-13 on the establishment of a National Implementation and Coordination Authority (NICA) for the Recovery and Resilience Facility (RRF) is further followed by milestone C16-16 on the establishment of shared service centres and milestone C16-17 on the automated specialisation training for all newly recruited first contact staff.		
Evidence Provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: <div><div>1)</div><div>summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</div></div> <div><div>2)</div><div>digital copy of the publication of the Recovery and Resilience Facility Act (Act 368/2021 Coll. of 24 September 2021 on the Mechanism for the Support of Recovery and Resilience and on the Amendment of Certain Acts) which entered into force on 31 December 2021 and has been published in the Official Journal on 19 October 2021.</div></div>		

The Slovak authorities also provided:

- 3) **links to the approved version** of the Act by the National Council of the Slovak Republic on 24 September 2021 and the published version of the RRF Act in the Official Journal.

Analysis:

In line with the requirements of the CID:

- 1) **The National Council of the Slovak Republic approved the RRF Act** on 24 September 2021. The RRF Act was then published in the Official Journal on 19 October 2021.
- 2) **Chapter VIII of the RRF Act establishes that all provisions except for Article 1 (11) have entered into force** on 31 December 2021. Article 1 (11) on the Information and Monitoring System for the recovery and resilience plan enters into force on 1 July 2022. At the moment of the submission of the first request for payment the RRF Act has not departed in any material way from the description provided in the Slovak RRP. Until 1 July 2022 the temporary repository system (see milestone C16-15 below) is in place. The IT system, which will replace the temporary repository system, shall be in place by Q3 2022 (milestone C16-13).
- 3) **Articles 3 to 7 regulate the relations of the entities involved in the implementation of the RRP**, the competencies of state administration bodies, and the rights and obligations of natural and legal persons.
- 4) **Article 4 establishes the Office of the Government of the Slovak Republic as the National Implementation and Coordination Authority (NICA)**, which is responsible for the coordination, control and management of the RRP implementation and its financial flows.
- 5) **Article 7 establishes the Office of the Government of the Slovak Republic as the body ensuring the protection** of the financial interests of the European Union.
- 6) **Article 5 defines the responsibilities of implementing bodies of the RRP.**
- 7) **Article 6 regulates the position of intermediaries.**
- 8) Regarding the performance of audit and control of the RRP, **based on Article 4 (3b), the NICA performs controls over the implementing bodies**, intermediaries as well as beneficiaries in the implementation of the national RRP. The implementing bodies exercise control over the intermediaries and beneficiaries (Article 5(2d)). The Act further refers to a special regulation for the performance of the control by NICA and implementing bodies (Act 357/2015 Coll. on Financial Control and Audit and on Amendments to Certain Acts).
- 9) **The performance of the government audit is regulated in Article 8**, according to which the government audit of the RRP is carried out in accordance with a special regulation (Act 357/2015 Coll.). As defined, persons performing the government audit are, in their performance, independent mainly from the NICA, implementing bodies, the intermediaries, persons performing the financial instruments, the financial intermediaries, the beneficiaries, the contractors and the subcontractors.
- 10) **Article 18(5) establishes that the contracts concluded with the beneficiary must include the obligation** of the beneficiary to cooperate in the performance of controls and audits.
- 11) **Article 23 on the Protection of Financial Interests of the Union** sets the obligation for all parties involved in the implementation of the RRP to prevent, detect and correct cases of irregularities. Article 1 (24) regulates the procedures for conflict of interests and defines who

the interested parties are and the period during which a person is considered to be an interested party.

- 12) **Article 9 defines the financial rules.** Articles 12 to 22 further define the methods, procedures and conditions for distribution of the RRF funds, including the financial corrections at national level.

The entry into force of article 1(11) of the RRF Act is set to 1 July 2022 (Chapter VIII. of Act 368/2021). No additional legal steps are required before the entry into force. The Commission will verify that Article 11 has entered into force as foreseen on the day (1 July 2022) before the Commission Implementing Decision on the authorisation of the disbursement of the first instalment of the non-repayable support for Slovakia.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 16.15	Related Measure: C16-i4: Strengthening administrative capacity at different levels of government – establishment of a National Implementation and Coordination Authority	
Name of the Milestone: RRP Repository System: information for monitoring implementation of RRP		
Qualitative Indicator: Audit report confirming repository system functionalities		Time: Q4/2021
Context: The objective of this measure is to increase the administrative capacity for implementing the reforms and investments of the Slovak recovery and resilience plan (RRP). To this end, the milestone includes the establishment of a repository system for recording and storing all relevant data related to the implementation: the achievement of milestones and targets, data on final recipients, contractors, sub-contractors and beneficial owners. This milestone is the first milestone of this measure, along with milestone C16.14 on the entry into force of the Recovery and Resilience Act. The subsequent milestone C16.13 on the establishment of a National Implementation and Coordination Authority (NICA) for the Recovery and Resilience Facility (RRF) is planned for Q3-2022, and is further followed by milestone C16-16 on the establishment of shared service centres (Q4-2024) and milestone C16-17 on the automated specialisation training for all newly recruited first contact staff (Q2-2026).		
Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: 1) copy of the Partial Audit Report from the Slovak Audit body, signed on 23 December 2021; 2) copy of the Final Audit Report from the Slovak Audit body, signed on 28 April 2022; 3) summary document justifying how the milestone was satisfactorily fulfilled, dated 28 April 2022.		

The Slovak authorities also provided:

- 4) **user guide for the repository system**; including its annexes (Annex I - the Request for access to the repository system; Annex II - the List of the folders in the repository system; Annex III - the Nomenclature and coding of documents in folders; Annex IV - the Folder scheme in the repository system);
- 5) **updated data extracted from the repository system** as of 11 May 2022;
- 6) **updated data extracted from the repository system** as of 25 May 2022.

Analysis:

Following the final verification of data, after several audit iterations, Commission auditors were able to confirm that **the repository system of the NICA stores reliable and complete data**, thus allowing to reach the conclusion that **the repository system is functional and operational**.

In line with the requirements of the CID, the Audit body³ explained in the partial audit report from 23 December 2021 that the repository system in Slovakia consisted of an excel spreadsheet, stored on the server of the Government Office (acting as the NICA for the RRP). No findings indicating malpractices were identified at that stage. The Audit body concluded at the time that the repository system was set up and able to monitor the implementation of the RRF until the information and monitoring system of RRP is operational. During this part of the audit (carried out between 15 November and 23 December 2021), the Audit body applied a scope limitation due to the inability to verify the functionality of the repository system, since the obligation for implementing bodies to submit the monitoring data would start only on 31 December 2021. The system at the time of the audit included some data, but they did not derive from the monitoring reports, and the excel sheet was only partially filled (e.g. with only the description of the milestones and targets).

The final audit report No 21-048 of the Audit body, signed on 28 April 2022, builds further on the partial audit report from December 2021. According to this final audit report, the repository system is accessible only to the authorised employees of the NICA, implementing bodies, and third parties, if necessary, to perform audits and controls. Requests for access are granted by the NICA, which is also responsible for the regular back up of the system.

Following the analysis of the verification mechanism, it can be concluded that the final audit report No 21-048 on the repository system clearly indicates:

1) The auditors and the responsible body signing the report

The final audit report was signed by the Audit body – Office of the Government Audit performing the audit, including the names of the lead and associated auditors.

2) The date on which the report was signed

The final audit report was signed on 28 April 2022.

3) The system is operational and has at least the following functionalities

³ The audit and Control Section within the Ministry of Finance of Slovak Republic is the responsible Audit body for the audits of the Slovak RRP, which are performed by the Office of the Government audit.

- i. collects data and monitors the achievement of milestones and targets
- ii. collects, stores and ensures access to the data required by Article 22(2)(d)(i) to (iii) of the Regulation (EU) 2021/241

The Audit body has verified the repository system and concluded that the system was established by NICA, and has at least the following functions: it ensures the collection of data and monitoring of the achievement of the milestones and targets; and it collects, stores and ensures access to the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation. The implementing bodies report the data monitoring the implementation of the milestones and targets under their responsibility on a regular basis through the monitoring reports, which are stored in the repository system.

4) The data is being collected by the implementing bodies and/or beneficiaries/any other entity entrusted with this task, according to national set-up and the data is being stored into the system

According to the final audit report, the repository system is used for the exchange of information between the NICA and the implementing bodies, as well as for the storage of data and documents on the implementation of the RRP. The implementing bodies collect data and report them to the NICA through the monitoring reports on a regular basis, which are then stored in the repository system.

5) Weaknesses of the system identified by the report and the corrective actions recommended to address them

The analysis of the final audit report initially revealed that the data in the repository system was unreliable and incomplete (e.g. missing data on beneficial owners and final recipients; duplicate data on final recipients; reporting data on requests for payment without the data on final recipients). Based on this, the Audit body concluded that the Ministry of Education, Science, Research and Sport had submitted unreliable and incomplete monitoring data on the implementation of the RRP and that the NICA did not execute formalised controls to verify the completeness, accuracy and reliability of the submitted monitoring data. Moreover, in the summary of audits, the Audit body stated that the data in the repository system did not fulfil the requirements of Article 22(2)(d) of the RRF Regulation.

As the repository system did not collect reliable, accurate and complete data as required by Article 22(2)(d) of the Regulation (EU) 2021/241, the Commission services could not accept the satisfactorily fulfilment of the milestone, as the system was neither functional, nor operational. As a consequence, it was decided that Commission auditors would verify the repository system during the system audit on the protection of the financial interests of the Union in May 2022.

Supplementary information based on the results of the system audit carried out by Commission auditors on 16 – 20 May 2022:

On 11 May 2022, Commission auditors received a new set of data from the repository system. The aforementioned problem with unreliable and incomplete data remained during Commission audit mission carried out between 16 and 20 May 2022. During the discussions with the NICA, it was clarified that the missing data could only be found in non-public registers, to which the NICA managed to get access afterwards. On 25 May 2022, the NICA sent the latest set of data to the

Commission auditors, as required by Article 22(2)(d) of the RRF Regulation.

Following the verification of this data, Commission auditors were able to confirm that **the repository system stores reliable and complete data**, thus allowing to reach the conclusion that **the repository system is functional and operational**.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 16.4	Related Measure: C16-r2: Modernisation and capacity-building of police forces		
Name of the Milestone: Organisational changes in the police force to increase its capacity in the detection and handling of crime and corruption			
Qualitative Indicator: Organisational change of the police force is effective			Time: Q4 2021
<p>Context:</p> <p>The objective of the measure is to overhaul the organisation of the police, taking into account new forms of crime. Specifically, a criminal engineer service, criminal analysis units and a unit to combat environmental crime are set up and equipped with the necessary staff and equipment.</p> <p>This milestone consists of the adoption of organisational changes in the structure of the police and a staffing plan. The reorganisation aims at (i) creating a unit for detecting and investigating environmental crime (centre and regions), (ii) extending the analytical capacity of the police force to the regional level, (iii) establishing a new unit for crime technology services (centre and regions).</p> <p>310 new staff will be trained by the end of 2024, as per the subsequent target 16.5.</p>			
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none">1) summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;2) the approved organisational structure, which entered into force on 1 February 2022;3) a revised mandate of the police force indicating newly created units for detecting and investigating environmental crime, analytical units and criminal technology services;4) a new staffing plan, with the identification of personal in place by 1 February 2022 and the one to be reached in a longer term through internal reshuffling and recruitment.			
<p>Analysis:</p> <p>The reorganisation of the police includes the setting up of new units performing specific tasks as of 1</p>			

February 2022:

1) Creating a unit for detecting and investigating environmental crime (centre and regions)
(See Articles 25a of the organisation structure)

The National Centre of Special Crimes of the Presidium is a newly established unit with nationwide competence. Within the structure of this Centre, the *Department for the Detection of Hazardous Materials and Environmental Crime* has been set up, with an internal division in 10 units in Bratislava and the regions. The tasks performed by the Department in the areas of hazardous materials, environmental crime and explosives precursors include:

- monitoring and analysing new forms of crime;
- standardising the procedures for detecting, clarifying, investigating and shortening investigations;
- collecting, evaluating and analysing information on criminal offences;
- carrying out operational search, investigation or expedited investigation of causes;
- acting as the international contact point, performing tasks arising from international obligations, implementing national or international projects.

According to the staffing plan and in line with the measure description to staff the new units appropriately, and preparing target SK-C[C16]-I[I2]-T[C16.5] to have at least 200 trained staff in the department by Q4/2024, the Department is to be staffed with 202 agents (instead of 20 before the organisational change) following the completion of necessary transfers and recruitment procedures. The targeted (planned) occupancy rate of the posts for 1 February 2022 was 77 % for the senior investigators and 72 % for operational posts.

2) Extending the analytical capacity of the police force for serious and organised crime to the regional level (See Articles 25b of the organisation structure)

The *Criminal Analysis Management Department of the Presidium* is a department with a nationwide remit. Its analytical capacity is reinforced through the setting up of *new groups at regional level* (West, Central, East) who will follow key trends in the development of *serious and organised crime* and carry out analysis. Its tasks include:

- Managing and coordinating the analytical processing of information, ensuring the information flow and perform the tasks related to the operation of the criminal information systems;
- Implementing, coordinating and managing complex analytical activities, including conceptual and methodological decisions;
- Following key trends in the development of serious crime, carrying out analyses, forecasts and trends to support the decision-making;
- Carrying out checks for non-industry bodies to assess the reliability and integrity of different entities, assessing requests for trade in military material;
- Providing an opinion on the granting of Slovak nationality, authorising checks on origin.

According to the staffing plan and in line with the measure description to staff the new units appropriately, and preparing target SK-C[C16]-I[I2]-T[C16.5] to have at least 50 trained staff in the department by Q4/2024, the Department will be staffed with 47 new police agents following the completion of necessary transfers and recruitment procedure. On 1 February

2022, 34 police officers were appointed.

3) Creating a new unit for criminal analysis (centre and regional) (See Article 38 of the organisation structure)

The *Bureau of Criminal Techniques of the Presidium* is a newly established unit with a nationwide remit to manage *criminalist technical activities*. It is divided into a methodology and training unit and four regional centers. It is meant to improve the quality of the researches of crime scenes and to ensure pursuing more relevant criminal trails; its tasks include to:

- perform the tasks of managing criminal-technical activities;
- methodologically manage, direct, coordinate and control the performance of criminal-technical activities;
- carry out criminal-technical activities for law enforcement authorities and courts;
- issue material and technical standards for the performance of criminal-technical activities and draw up the relevant documentation for public procurement;
- monitor the quality of work at crime scenes, take measures to reduce the risk of contamination and issue standard working procedures to detect and preserve evidence of crime;
- apply new knowledge in the field of criminal science, implementing new technologies, technical means and materials into criminal-technical practice;
- process analyses, foresights, information and opinions related to criminal-technical activities; produce conceptual, analytical and legislative material within its scope;
- cooperate with national and foreign institutions, bodies and organisations active in criminal and forensic sciences.

According to the staffing plan and in line with the measure description to staff the new units appropriately, and preparing target SK-C[C16]-I[I2]-T[C16.5] to have at least 60 trained staff in the department by Q4/2024, the Department will be staffed with 72 agents (instead of 21 before the organisational change), following the completion of necessary transfers and recruitment procedures. On 1 February 2022, 34 police officers were appointed.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 17.23	Related Measure: C17-r4: Standardisation of technical and procedural cybersecurity solutions (ITVS – Information technologies for public administration)	
Name of the Milestone: National Concept for Informatisation of Public Administration (NKIVS) 2021-2030		
Qualitative Indicator: Adoption and approval of the National Concept for Informatisation of Public Administration by the MIRRI and publication		Time: Q4 2021
Context:		

The objective of this reform is to update applicable cybersecurity requirements and increase standardisation of solutions for all entities of the public administration.

The overall aim of the milestone is to adopt and approve the National Concept for Informatisation of Public Administration, which sets out the framework for digital reforms in line with the RRP. Measures included in the RRP will contribute to implementing the strategic tasks of the National Concept for Informatisation of Public Administration. Specifically in the context of cybersecurity reform C17-r4, under which this milestone appears, the CID clarifies that the National Concept for Informatisation of Public Administration will set the framework for standardisation of cybersecurity requirements while clarifying that further specific actions will be necessary to set the technical and procedural standards of cybersecurity.

Subsequent milestones and targets related to this milestone focus on securing of IT systems with preventive measures (milestone 17.18 due by Q4 2024, C17-i6), the deployment of cybersecurity audit tools (milestone 17.19 due by Q2 2025, C17-i6) and cybersecurity training (target 17.17 due by Q2 2026, C17-r5).

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- 1) **summary document** duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- 2) **copy of the National Concept for Informatisation of Public Administration** as adopted by the Ministry of Investment, Regional Development and Informatisation.

The authorities also provided:

- 3) **copy of the Government Resolution No 763/2021** adopted on 14 December 2021 approving the National Concept for Informatisation of Public Administration.

Analysis:

The National Concept for Informatisation of Public Administration was adopted by the Ministry of Investment, Regional Development and Informatisation and submitted to the Government on 9 December 2021⁴. The Government approved the document through a Government Resolution on 14 December 2021. The National Concept for Informatisation of Public Administration has been published on the website of the Ministry⁵.

⁴ <https://www.slov-lex.sk/legislativne-procesy/SK/LP/2021/628>

⁵ <https://www.mirri.gov.sk/wp-content/uploads/2021/12/Narodna-koncepcia-informatizacie-verejnej-spravy-2021.pdf>

1) Setting the framework for digital reforms

The National Concept for Informatisation of Public Administration defines as its strategic headline target a 40 % progress in the DESI Digital Services Index by 2026 compared to the status quo. In section 1.2, the National Concept translates this strategic objective into four priority axes and sub-objectives that are in line with the eGovernment and cybersecurity measures in Component 17 of the RRP:

- Priority axis 1 (p. 38) — Better services — aims at increasing user satisfaction of digital public services, increasing the share of electronic communications in other ways, simplifying services and introducing digital service solutions for specific life situations.
- Priority axis 2 (p. 39) — Digital and data transitions — will deliver processes that are independent of paper-based processes and take full advantage of the potential of digital technologies and data sharing.
- Priority axis 3 (p. 40) — Effective IT — is intended to reduce the time to implement projects, increase the value of the systems deployed and optimise the costs of operating the systems.
- Priority axis 4 (p. 41) — Cybersecurity and Information Security — aims to strengthen human capacities, minimise security incidents and damage, and increase the level of the cyber and information security ecosystem. The National Concept has established a framework for the standardisation of cybersecurity requirements.

2) Ensuring implementation of relevant strategic tasks of the NKIVS through aligning with the RRP

The priority axes of the National Concept for Informatisation of Public Administration mirror the measures of the RRP in the areas of eGovernment and cybersecurity. In particular:

- Priority axis 1 is in line with Reform 1 and Investment 1 in the Component 17 of the RRP.
- Priority axis 2 is in line with Reform 2 in the Component 17 of the RRP.
- Priority axis 3 is in line with Investment 2 in the Component 17 of the RRP.
- Priority axis 4 is in line with Reform 5 and Investment 6 in the Component 17 of the RRP.

The National Concept for Informatisation of Public Administration will be followed by a National Concept for Informatisation of Public Administration Action Plan that will apply to government entities in charge of operating and developing public administration information technology. The outcome of this Action Plan will be a roadmap of actions and measures structured over time, including the identification of responsibilities, funding and monitoring. This will ensure proper alignment and synchronisation with the milestones and targets defined in the CID for measures C17-r1, C17-r2, C17-r5, C17-i1, C17-i2 and C17-i6.

3) Setting the framework of standardisation for cyber security requirements

The issue of cybersecurity is covered by Priority Axis 4 “Cyber and Information Security” of the aforementioned National Concept. Priority axis 4 sets out the vision of a systematic approach to the deployment and protection of digital public services replacing the current ad hoc

approaches. To achieve this vision, the National Concept defines two strategic initiatives that focus on i) increasing the resilience of the digital public administration ecosystem and ii) improving cybersecurity and information security training.

The National Concept for Informatisation of Public Administration sets the framework for the standardisation of cybersecurity by defining specific measures that will be implemented in relation to the two strategic initiatives (p. 77). These measures include the amendment of cybersecurity rules, the development of a methodological framework for the implementation of cybersecurity measures, cybersecurity awareness manuals for civil servants, the creation of templates for the structure of the security documentation and regular and appropriate updating of cybersecurity standards in public administration's information systems. This is in line with the CID provision that refers to "further actions" following the adoption of the National Concept for Informatisation of Public Administration to be implemented for setting the cyber security technical and procedural standards.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 18.2	Related Measure: C18-r2: Introducing multi-annual expenditure ceilings	
Name of the Milestone: Anchoring expenditure ceilings in Law 523/20 04 on the budgetary rules		
Qualitative Indicator: Entry into force of the amendment to Act 523/2004 on the budgetary rules		Time: Q4-2021
Context: The over-arching objective of this reform is to enhance fiscal discipline in view of improving medium- and long-term fiscal sustainability. To this end, Slovakia has introduced binding multi-annual expenditure ceilings as a key tool to improve budgetary planning and to pursue better counter-cyclical fiscal policy. Importantly, the new expenditure ceilings are linked to planned structural balances linked to sustainability objectives. The Slovak authorities are already implementing the new framework in the Stability Programme for the period of 2022-2025. The milestone requires the entry into force of the corresponding legislative amendment to Act 523/2004 on the budgetary rules. It is the only milestone linked to the measure.		
Evidence Provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: 1) summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; 2) copy of the amended Act 523/2004 on budgetary rules of public administration, with entry into force on 1 April 2022.		

The authorities also provided:

- 3) **the Stability Programme of the Slovak Republic 2022-2025**
- 4) **methodology** agreed between Ministry of Finance and the Council for Budgetary Responsibility.

Analysis:

In line with the CID, the amendment to Act 523/2004 on the budgetary rules defines the binding multi-annual expenditure ceilings as a key tool to better pursue counter-cyclical fiscal policy, improve budgetary planning and achieve long-term fiscal sustainability. In particular, the law that entered into force defines **the limit on public expenditure, regulates the time horizon over which public expenditure limits are set (the full electoral cycle), regulates the binding nature of expenditure limits, delegates the responsibility on the assessment of compliance with the limits to an independent arbitrator (the Council for Budgetary Responsibility) and defines penalties arising from non-compliance with the limits.**

The amendment to Act 523/2004 on budgetary rules **entered into force** on 1 April 2022 and was published in the Official Journal of Laws, year 2022.

The measure is expected to **enhance the fiscal discipline**. The methodology for the calculation of expenditure ceilings (a technical document regarding their implementation, agreed between the Ministry of Finance and the Council for Budgetary Responsibility) is detailed and robust, notably regarding the treatment of one-off expenditures. The amendment to Act 523/2004 on budgetary rules ensures that the public expenditure limits approved by the National Council of the Slovak Republic is binding for entities whose expenditure form a part of the general government budget and to which public expenditure ceilings apply. The law stipulates that sanctions arising from non-compliance with the public expenditure are not applicable in the current parliamentary term. However, the binding nature of the expenditure limits is reinforced by the fact that they are approved by the National Council (in the form of a resolution) and published in the Official Journal of Laws. The amended Act 523/2004 on budgetary rules still requires the current government to align the draft general budget with the applicable public expenditure limit.

The amendment to Act 523/2004 on budgetary rules links the **expenditure ceilings to planned structural balances (§30aa(3), and structural balances are linked to the long-term sustainability position (§30aa(6)-(7)).**

The Stability Programme of the Slovak Republic 2022-2025 demonstrates that the expenditure ceilings framework is being implemented timely, meaning that the full budgetary cycle for 2023 is captured.

Commission Preliminary Assessment: Satisfactorily fulfilled