

PART III. NATIONAL REPORTING GUIDELINES FOR CSD-14/15 THEMATIC AREAS

C. INDUSTRIAL DEVELOPMENT

Government focal point(s):

Responding ministry/office(s): **Ministry of Economy**

Decision-Making: Strategies, policies, programmes and plans, legislation, policy instruments and the regulatory framework; involvement of Major Groups

- Major elements and targets of national industrialization strategy or plan.
- Process of development of the strategy, including multi-stakeholder participation.
- Consideration of environmental and social aspects in the design and follow-up of national industrialization plan.
- Policies to promote open markets such as reduction of quantitative restrictions and tariffs on imports and promotion of exports.
- Efforts to reduce administrative procedures and costs related to business start-up and operation. (e.g., one stop/single access registration, reduction of capital requirements, creation of industrial parks).
- Efforts to promote investor confidence, including protection of intellectual and other property rights, dedicated commercial courts and efforts to promote speed in the resolution of commercial disputes.
- Nature of regulatory approach to environmental issues. Use of command and control as well as economic instruments to enforce legal requirements.
- Efforts to integrate environmental aspects into industrial operations such as requiring environmental impact assessments for licensing or permitting as well as other policies which might support this goal.
- Policies to promote voluntary approaches by industry including corporate social responsibility and environmental stewardship.
- Policies to restructure and improve the operation of state enterprises

Capacity-Building, Information and Research & Technologies

- Attempts to include sustainability components in planning of industrial location and infrastructure (e.g., industrial siting, wastewater and waste management in industrial zones or parks).
- Policies or programmes to promote research and development (R&D) on and the transfer of cleaner technologies.
- Programmes to promote the concept of sustainability within industry as well as in higher education including business and engineering schools.
- Policies to promote R&D to increase productivity in key industrial sectors.
- Policies to facilitate licensing and sale of technologies resulting from government programmes or funding.
- Policies to promote cooperation between the industrial sector and the R&D community.
- Programmes to make available “best practice” information (including environmental and social aspects) to industry sectors as well as to promote information exchange between enterprises.

Financing

- Measures to promote competition in domestic financial sector.
- Measures to facilitate access to credit by non-state industrial enterprises, notably by SMEs.
- Measures to strengthen long-term financing for infrastructure and industry.
- Programme to promote transparency in financial markets such as credit rating systems, private and public credit registry systems.
- Policies to provide legal protections to creditors.
- Programmes or policies that serve to integrate specific environmental and social concerns into lending practices.
- Measures to ensure adequate resources for clean-ups of contaminated and degraded sites.

Cooperation

- Programmes to promote international cooperation in the development and diffusion of cleaner industrial technologies.
- Programmes to facilitate contact and information sharing between domestic industrial enterprises and overseas suppliers, customers, partners.
- Programmes to facilitate regional cooperation in the creation of a policy environment conducive to region-wide industrial development (e.g. harmonization of corporate tax regimes, regional trade agreements).

Industry sustainable development promotion programmes

The all-important programmes being supportive in nature linked to the activities of the Slovak industry business sphere over the period 2001-2005 include in particular:

- a) Technology transfer programme allowing for transfer of advanced technologies satisfying the environmental protection requirements. The beneficiary may be SMEs. The form of support is direct (subsidy up to SKK1 m) or indirect (free or partially paid advisory and consultation services). The aid implementer is NADSME. The crucial criteria for support effectiveness assessment are the top level of technology to be transferred (including economic and environmental aspects) and the effect of its application (including employment impacts).
- b) Programme for the implementation of Quality Management Systems (ISO 9000, VDA, BS, QS, ISO 14 000, Good Production Practice and Good Laboratory Practice) intended for SMEs. State aid is granted in the form of a grant for the education and certification process. The implementer of the aid is NADSME. The programme has a major impact on the environmental behaviour of enterprises.
- c) Programme in support for the development of wood working and use (in accordance with the goals of the action programme Wood - A Raw Material of the 21st Century). The beneficiary may be SMEs. State aid takes the form of a grant for payment of interest on loans to implement projects. Projects must comply with the goals of the action programme - enhancement of domestic wood working, increase in added value through processing, creation of new jobs.
- d) Programme in support for energy savings and utilisation of alternative energy sources intended also for legal persons carrying on business in the energy sector with less than 250 employees with whom the state holds a stake of up to 49% (stimulation of investment in projects for building facilities using alternative energy sources). Support is undertaken as a subsidy for payment some of interest on loans (up to 70% of interest) or a repayable financial transfer (up to SKK3 m, repayability within three years).
- e) Programmes for granting micro-loans, education and consulting for selected groups of those interested, subsidised programme ŠTART 2000 (with the aim of strengthening human resources in quality terms, new job creation and financial aspects of SME business in industry).
- f) Programme for support of industrial R&D with the focus on R&D promotion in key technologic areas of industry oriented to high-tech with sub-programmes:
 - Technologic and product innovation in industry
 - Improvement of energy conversion technologies and energy systems including non-traditional sources
 - Enhancing the intensity of processing domestic and renewable raw materials and the use of biotechnologies.

Support is undertaken as a subsidy to science and technology tasks, in selected tasks repayable funding applies using the conditions and criteria of the Innovation Fund (founder MoE).

In addition to these programmes, also **programmes based on SR and EU co-funding** are declared for the period 2001-2005. These include in particular:

- SME Counselling Programme
- SME Information Centre
- International Co-operation Support Programme (SUBCONTRACTING)
- SME Education and Training Programme
- European Information Centre

(all these programmes are focused on strengthening human resources in SMEs and their information background)

- Programme for participation in the multi-year SME promotion programme 2001-2005 (focused on the use of the best procedures and good practices)
- Specific programmes for industry businesses in the lagging Slovak regions (East Slovakia).

R&D industry base activities under the EU framework programmes can also be included in the category of the SR and EU co-funded support programmes.

The R&D sphere participation in the 3^d and 4th EU Framework Programme was still based on the donor principle. Participation in the 5th EU Framework Programme (1999-2002) is already based on the co-funding principle. Under the 5th Framework Programme (targeted to growth in competitiveness of enterprises, employment enhancement, improving the quality of life and health, improving the global environmental conditions), grants totalling SKK148.3 m were approved for Slovak R&D businesses under the competence of MoE.

The following programmes were funded **under EU rules and criteria and merely from EU funds**:

- Energy policy implementation
- SR energy sector
- SAVE II SR.

Also support in nature for Slovak industry businesses is the **SR pre-accession assistance carried out through the Industry Development Grant Scheme** (PHARE and state budget co-funding). The calls for projects were published in 2003 and the project assessment process is still currently under way.

The grant scheme consists of two components:

Component 1 is intended for investment projects of the industry business sphere (totalling €4.1 m, of which €3.0 m EU funds and SKK1.1 m national resources of the state budget).

Component 2 is intended for non-investment projects of non-profit industry organisations (totalling €0.3 m). The aim of the aid under this grant scheme is to enhance Slovak industry competitiveness (synergy of economic, social and environmental aspects), increase production efficacy, to improve the competitive strength of entrepreneurs in domestic and foreign markets, to consolidate the position of SMEs in manufacturing sectors.

The benefits of the support tools of this grant scheme will only manifest themselves in industry activities following the implementation of the approved projects (2004 and beyond).